

Section II

LEGAL REGULATION OF INTERNATIONAL TRANSPORTATION

Topic 9. International legal regulation of air transportation

1. The Air Transport Mode
2. The Air Cargo Supply Chain
3. The outgoing or export forwarding process
4. The air transport process
5. Interest Organisations

1. The Air Transport Mode

For someone who wants to send a shipment door-to-door and over a medium to long distance fast, the air transport mode will best fit this purpose. With air transport, cargo can be transported in different types of aircraft:

- Passenger aircraft
 - in the cargo area below the passengers, the so-called "belly"
 - in the passenger cabin as hand-carry by a so-called "on-board courier" (OBC) flying as passenger, sometimes also called "hand-carry services"
 - *the OBC is mostly an employee working for a forwarder or courier service (see below) and can also take care of the total door-to-door transport, all eventual customs formalities for export or import, as well as the hand-over at destination*
 - *this type of service is mainly used for very urgent or valuable documents and small goods ; as with all cargo services, also here the entry requirements and customs regulations of the country of import, as well as the regulations for restricted articles on board of the aircraft must be known and adhered to*
- Cargo aircraft, or: Freighters
 - on the main-deck or in the belly ; by means of nose-loading, where the whole nose is opened, or side loading, through a large cargo door
- Combi aircraft

- on the main-deck behind the passengers' area with side loading through a large cargo door, and in the belly

As you can see in the examples above, the dimensions of the aircraft can vary, which of course also influences the amount of passengers and/or cargo that can be taken. The amount and weight of cargo that can be carried depends on the fuselage dimensions (esp. the diameter) of the aircraft. For the bigger aircraft or airliners a difference is made between narrow body and wide body aircraft.

Air Cargo Facts

According to different sources, air cargo represents less than 0.5 percent of the weight of all international cargo, while at the same time this segment represents around 30 percent of the total worldwide shipment value.

According to plane maker Boeing in 2012, cargo-only aircraft or freighters handle about 60 percent of global airfreight shipments, while passenger planes fly the other 40 percent in their bellies.

From a potential shipper's or customer's viewpoint, the international (door-to-door) air cargo market can be divided in four major supplier categories according to their core business:

- Postal companies using Airmail
 - Envelopes and parcels up to 30 kg
 - Air transport generally outsourced to airlines
 - *Examples: EMS Worldwide Express Mail Service, Deutsche Post, La Poste, Singapore Post, Swiss Post, TNT Mail, USPS, etc.*
- International Courier companies or: Couriers
 - Envelopes and parcels up to 75 kg
 - Air transport generally outsourced to airlines
 - *Examples: City-Link, DPD, DPEX Worldwide, HKDC Royale Asia, Kangaroo Worldwide Express, KDZ Express, OCS - Overseas Courier Services, Quick International Courier, Sky Net Worldwide Express, Speedlink International, Time:Matters, World Courier, UNEX - Universal Express, etc.*
- International Express companies or: Integrators

- Envelopes and parcels up to 75 kg
- Generally operate their own aircraft, some destinations outsourced to airlines, aircraft operators or aircharter companies
 - *Examples: DHL Express, FedEx, TNT Express, UPS, etc.*
- (Air Cargo) Forwarders
 - Parcels and consolidations > 75 kg or up to anything that fits in an aircraft
 - Air transport generally outsourced to airlines and sometimes aircraft operators or aircharter companies
 - *Examples: Agility, CEVA Logistics, C.H. Robinson, Damco, DB Schenker, DHL Global Forwarding, DSV, Expeditors, Geodis, Hellmann Worldwide Logistics, Kerry Logistics, KWE - Kintetsu World Express, Kuehne + Nagel, Nippon Express, Panalpina, Pantos Logistics, Rhenus Logistics, SDV, Sinotrans, UTi Worldwide, UPS SCS, etc.*

The real air transport (or: airport-to-airport) part is actually outsourced by these companies to an air operator or airline (except in case of the Integrators, that operate an in-house aircraft fleet for the main part of their air transport needs and outsource only partially).

The combined airlines have the biggest share of this world wide air transport market for cargo.

So the above mentioned Postal companies, Couriers, Integrators and Forwarders, are the cargo customers of the airlines ; and thus the airlines are their suppliers or partners.

The air cargo forwarders are the ‘traditional’ and still most important customers for the airlines. According to FIATA, forwarders contract, book and process over 80 per cent of international air cargo consignments. They compile the complete and (where necessary) customized door-to-door (D2D) air cargo supply chains for their customers, which are often called end-customers by the airlines. The airlines deliver the airport-to-airport (A2A) transport in this chain.

2. The Air Cargo Supply Chain

When a demand on one place is supplied from another place with air transport as the main transport mode, an air cargo supply chain must be compiled.

Air transport is relatively expensive, but often the fastest mode of transport available to cover medium to long distances.

Therefore **typical air cargo** consists of goods with a high value and/or an operationally or commercially critical delivery time (high financial breakdown risk):

- Airmail, diplomatic mail
- Live animals, hatching eggs, human organs, human remains, medical supplies
- Express parcels
- Perishables (food, flowers, dry-ice shipments)
- Pharmaceuticals
- Valuables (money, gold bars, diamonds)
- Technical supplies (high tech, oil & gas, aerospace, automotive, ship spares)
- Luxury consumer goods (electronics, fashion goods, accessories)

A **typical air cargo supply chain** consists of the following steps:

- Shipping
- Forwarding out
- Air Transport
- Forwarding in
- Consignment

The air freight shipping process

The door-to-door air cargo process starts with the shipper. - A shipper is the person or company that is physically and administratively responsible for shipping the goods ; nothing more and nothing less.

Although in a lot of cases the shipper is also the customer of the forwarder, this is not necessarily so. The customer can just as well be the consignee, or a third party that has ordered the goods stored at the shipper's location to be shipped from A to B. For this same reason, the shipper also does not need to be the owner of the

goods. This all depends on the delivery terms (or: Incoterms) that are agreed between the parties involved, e.g. a buyer, owner of the goods, a seller, a maintenance company, a distributor, a transport company, a forwarder, etc.

For security reasons these days the shipper must be a known shipper for the forwarder and thus also for the next steps in the process.

About air freight costs and quotes

Before taking any further steps, in order to avoid surprises afterward, it is important for the shipper to be aware of the different cost elements of air freight.

Another important consideration for the shipper is whether or not to (let) consolidate goods into one shipment, or to send the goods as individual shipments. In most cases consolidation of goods is cheaper but also slower, especially if the forwarder consolidates goods of several shippers to a certain destination. In case of emergency freight, if speed is required, shipping the goods as individual shipments can be an advantage, because it is more easily traced and expedited during the process ; but it will probably be more expensive as well, because the costs cannot be spread over a bigger volume.

The next step for the shipper / customer will generally be to request a freight quote at one or more forwarders, and then select the forwarder that will become responsible for the shipment(s). Often there is a steady relationship and a financial / credit arrangement between a shipper / customer and one or more forwarders that take care of the worldwide transport of the shipped goods.

Shipping the air freight

The shipper is responsible for efficient assembly of the shipment in terms of volume, weight and packaging in order to:

... get the best price / volume utilization of the aircraft pallet or container

... avoid damage to goods, people and aircraft.

When the goods are ready for transport (RFT = correctly packed, labelled and with the right documents for forwarding as well as road transport as the next steps), the shipper orders transport of the goods.

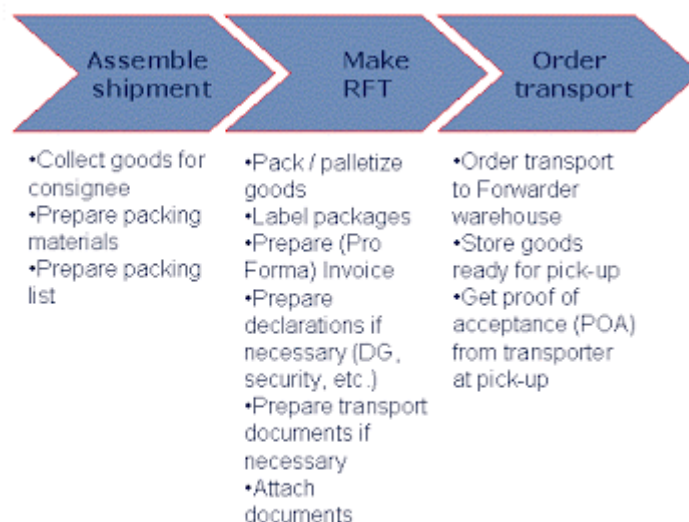
Depending on the transport agreement with the forwarder, this road transport can be organised by either the forwarder or the shipper.

The goods are picked up at the shipper's warehouse for delivery by road transport at the warehouse of the forwarder who organizes the further air cargo process.

Depending on the internal organisation of the forwarder's or shipper's processes, the road transport can be executed either with in-house operated trucks, vans or personnel or by a third party.

The transport company (or the forwarder) will give the shipper a proof of acceptance (POA).

Process overview:



3. The outgoing or export forwarding process

The goods are delivered at the forwarder's warehouse.

The forwarder, sometimes also called expeditor is the 'architect' of the air cargo supply chain. A forwarder or expeditor can be IATA certified ; in that case he is referred to as agent. An agent is an IATA certified expeditor or forwarder that:

... has been thoroughly checked for financial status

... has enough air cargo potential

... has the right facilities for handling air cargo

... has trained personnel for handling air cargo and dangerous goods

... receives commission from the IATA associated airlines

... may use the airline's Air Waybills

Depending on the agreement with the forwarder's customer, the forwarder organises:

- Outgoing handling or export handling & customs clearance of the customer's shipment,
- Air transport from a nearby airport to an airport near destination
- (optional) Further incoming handling or import handling & customs clearance near destination
- (optional) Delivery at final destination (consignee)

The forwarder will buy space at the airline's sales or customer service department, or in case of a foreign airline sometimes through the airline's General Sales Agent, a GSA. (A short note about the GSA: An airline can decide to appoint a GSA when it proves beneficial to have the lower and more flexible costs of a hired local sales team instead of setting up an own sales-team, which is often more expensive and has fixed costs. Some sources claim the performance of a good airline sales-team will in the end always be better than the performance of a GSA ; this can probably be managed upfront in a good tender, contract and performance review process though. Probably a good tip in selecting a GSA is for the airline to check with their potential local customers, the forwarders, in advance, because they know the market best.)

Booking

First step after the pricing is obtained, is to make an airline booking for the shipment and get the airline's confirmation in order to assure space on board of an aircraft:

- Airline (Master) Air Waybill number assigned
- Origin and (final) destination

- Type of goods / commodity (especially important for dangerous goods, perishables and valuables)
 - Flight date
 - Flight number
 - Weight, volume and dimensions of shipment
 - Number of colli
 - Issuing agent / contact details
 - Eventual assignment to customer (agent's) allotment

The reservation will be validated against the airline's capacity, commodity and revenue management criteria, and will be officially confirmed as soon as the booking is accepted. Now the booking process is complete.

In case of a so-called blocked-space agreement in which the forwarding agent has a continuous reservation (allotment) for space at one or more flight / date combinations with an airline the booking process may sometimes go slightly different, but the basics are the same.

There are a few recommendations in order to assure a smooth process for the airline and the customer:

- *Make the booking at the earliest possible stage, and ask for (and meet) the latest possible delivery time of your goods (esp. in case of dangerous goods, live animals, perishables, valuables, etc.) at the airline's handling agent*
- *Check for specific commodity restrictions with the airline or the country of destination.*
- *Do not make bookings for the same shipment at several agents or airlines ; if you have to cancel do this timely, also in case you are not going to use (part of) your allocation. Aircraft space is very expensive!*
- *Do not exceed allotments and/or shipment weights without consulting the airline first. If noticed your shipment will certainly be stopped, and if unexpectedly unnoticed this is a potential air safety threat!*
- *Make sure the information on your shipment documents are exactly in line with the actual shipment details, dimensions and weight.*

- *Make sure you have made all the necessary security arrangements. Cargo from 'unknown shippers' or with otherwise suspicious characteristics will certainly be stopped.*

Preparing the shipment

In order to keep track of the different customer's shipments from one exact address to another, the forwarder makes a House Air Waybill (HWB) for each such shipment. The House Airwaybill is the shipment contract between the end-customer and the forwarder, so basically the forwarder acts as a carrier towards the shipper. (*This is also called a Non-Vessel Operating Common Carrier or NVOCC, which is a shipment consolidator or freight forwarder who does not own any vessel, but functions as a carrier by issuing its own bills of lading or air waybills and assuming responsibility for the shipments.*)

Next step is to make the goods ready for carriage (RFC)

- Correctly packed, labelled and
- Customs cleared for Export (if applicable), and
- With the right documents and security checks for air transport as the next step, as well as for incoming or import handling and clearance (if applicable) at destination

Often the forwarder combines shipments of different shippers travelling the same airport-to-airport stretch into a consolidation, because ...

... consolidations are easier and faster to handle for the forwarders as well as the airline

... bigger volumes get better airline pricing (and also give more commercial freedom for the forwarder to play with cost- and selling prices)

... continuous bigger volumes facilitate blocked space agreements between the airlines and the forwarders to create guaranteed capacity and thus better reliability for the end-customer / shipper.

The AirWaybill

Consolidations or individual shipments get a Master Air Waybill (MAWB) for the airline. To start with, the Master Air Waybill is the shipment contract between the

forwarder and the airline (which also means that towards the forwarder the airline is the carrier, and the airline considers the forwarder to be the shipper now...). Other functions of the MAWB are:

- Communication of the applicable contract terms, conditions and liability to all parties involved (general on the back, or specific)
 - Proof of delivery (POD) of the goods to the carrier
 - Act as key for other related documents as required for customs or other authorities
 - Provide handling instructions to all parties involved
 - Provide a basis for invoicing for the airline and/or the forwarder
 - Act as an insurance certificate (if applicable and indicated on the AirWaybill)

The main contractual obligations of the carrier are to deliver a shipment:

- In the same state in which they were accepted, undamaged
- Complete: in number of colli, and in contents (contents only as far as checked and agreed)
 - On time

The Airwaybills contains the following information :

- The exact shipper's and consignee's address
- The forwarder taking care of (c/o) the shipment at destination
- Carrier / agent
- Airports of departure and destination
- Flight date and -number
- The overall kinds and values of the goods
- Number of colli, weights, volumes
- Customs status
- The agreed costs of transport and eventual other charges (also for customs purposes in order for them to see added value)
 - Insurance information
 - Signature (to validate contract)

The airline's Air Waybill or MAWB is a so-called non-negotiable transport document, so it is not a proof of ownership of (or document of title to) the goods ; the document + goods cannot be traded.

When the goods are ready for carriage, the forwarder orders transport of the goods. If needed the goods will be temporarily stored at the forwarder's warehouse.

In case of large volumes and blocked space agreements with the airline, the forwarder may already prepare ready for carriage aircraft pallets. This minimises the handling time for the airline, and so the overall throughput time of the shipments.

The goods are picked up by road transport for delivery at the warehouse of the airline's handling agent who takes care of further cargo handling for the airline.

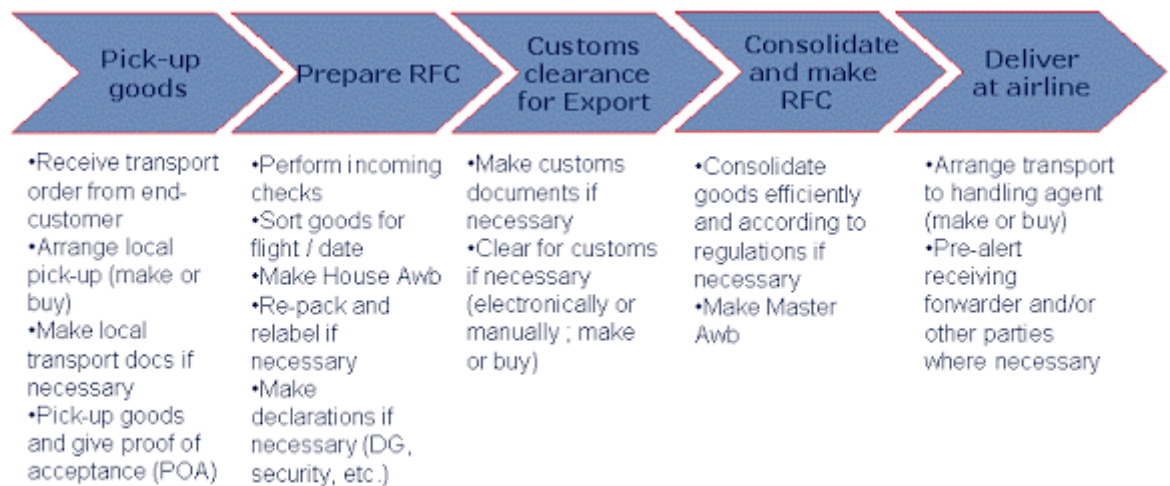
- Again, depending on the internal organisation of the forwarder's processes, this road transport can be executed either with in-house operated trucks, vans or personnel or by a third party

Normally the shipping forwarder will now inform or pre-alert the receiving forwarder about the shipment and flight details. This enables the receiving forwarder to prepare receipt of the shipment, e.g. by making connecting road-transport arrangements and/or perform pre-clearance of the shipment to ensure a smooth and fast flow of the goods through all the next steps.

The receiving forwarder will often be a branch of the same forwarding company, but it can just as well be a partner forwarder from another company, in which case an ad-hoc or longer term commercial agreement will be made

- A network forwarder is a large company with worldwide branches
- A forwarder network though is a network existing of different smaller to medium sized companies all over the world working together

Process overview:



Besides this basic process, other important functions or side-processes of the forwarder are:

- To plan & control transport orders, airline slot-times, and the flows of goods, documents as well as information in all steps of the created supply chain in order to assure a smooth process and service as agreed with the end-customer
- To repair or improvise immediately when something might go wrong in the often complex chain executed by many different parties, or in case of a sudden urgent or non-routine shipment
 - *Change transport or airline bookings*
 - *(Part) charters of trucks or aircraft*
 - *On-board couriers*
- To continuously maintain a structured and standardized network of commercial and operational agreements where possible, in order to rely on these agreements and an operational routine for all parties involved
 - To handle claims on behalf of the (end-)customer in case goods are damaged or lost in the D2D or A2A process

4. The air transport process

The goods (or consolidations) are received at the airline's handling agent warehouse.

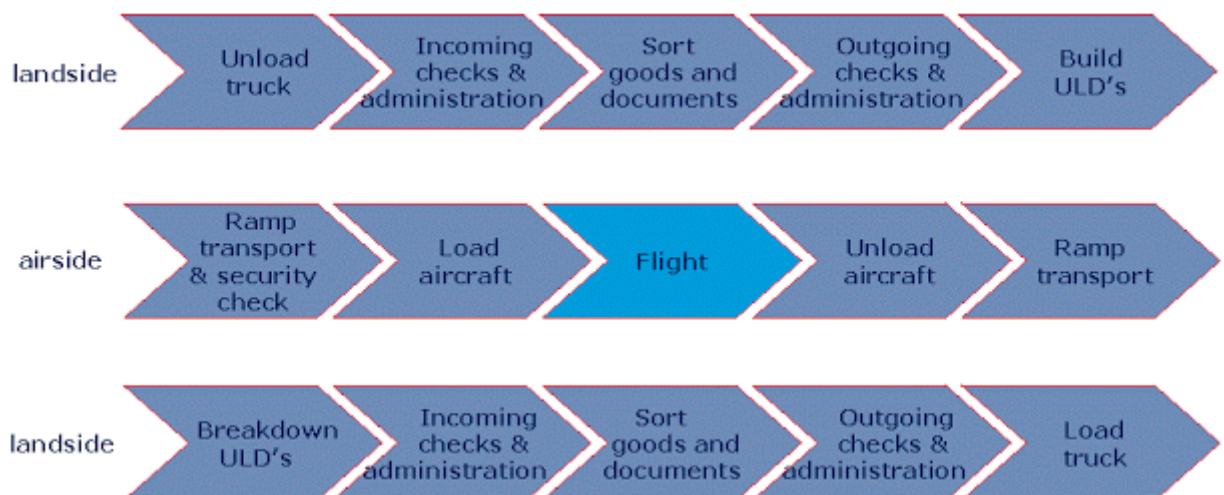
The handling agent will often be a separate company contracted by the airline, but cargo handling can also be an in-house function of the airline, especially at a major hub

- Examples of separate handling agents are: Aviance, Aviapartner, Menzies Aviation, Servisair, Swissport Cargo Services, WFS - Worldwide Flight Services, etc.

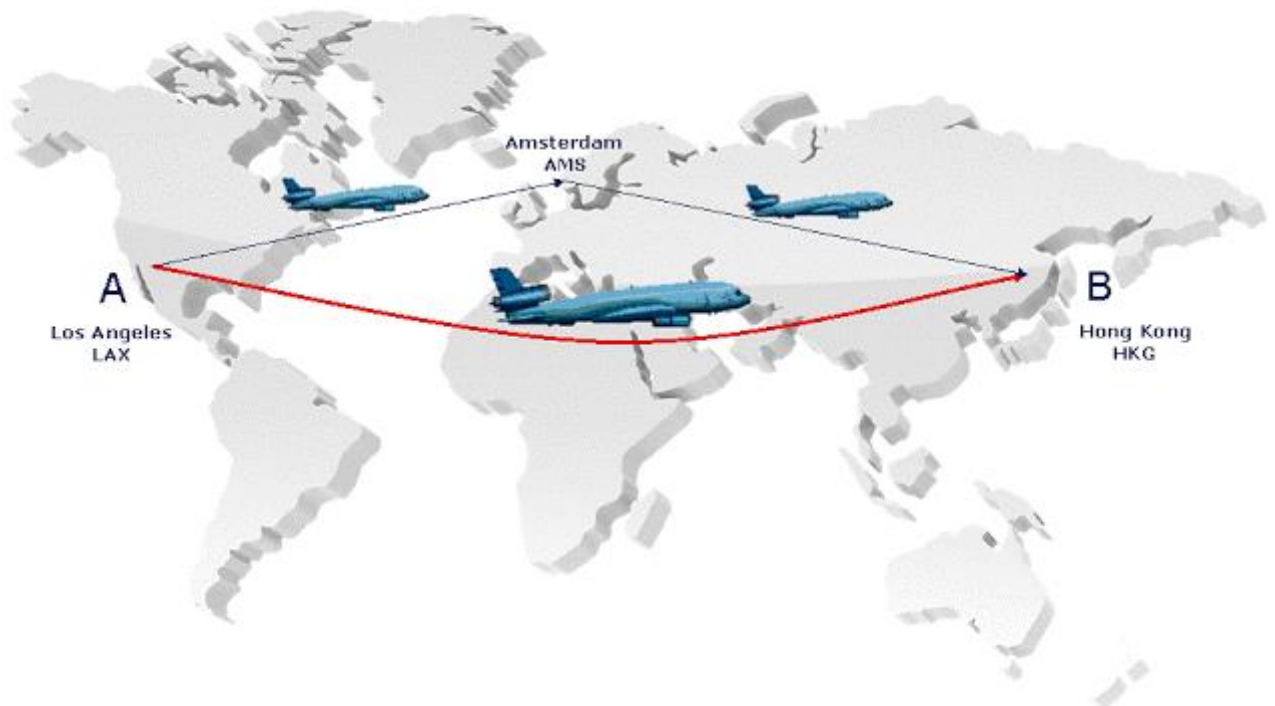
Also the airlines often offer their in-house cargo handling as a commercial service to other airlines. The handling agent takes care of the air cargo handling at the airport, to and from the aircraft.

Depending on the kind of goods, destination (flight number) and urgency, delivery at the handling agent has to be done within a certain norm-time before departure (TBD) of the aircraft, also called a slot or a slot-time.

The whole physical air transport process can be pictured by the following steps:



A variant in the air cargo process can be to get to the destination in two or more steps instead of one, then the shipment goes into a transit:



Whether a direct or a transit process should be used is up to the forwarder (where necessary in communication with the shipper) and depends on required price, throughput time (also in relation to flight schedules of different airlines) or special cargo

Besides the physical handling, other important functions of the handling agent are:

- To control the overall weight & balance of the airline's aircraft on the cargo side, make a load sheet and assure flight safety,
- To make a cargo manifest for all the goods on board, for the airline's import and export declaration to customs
 - *This is a high level customs declaration as opposed to detailed customs declaration by the forwarder or customs agent*
- To make a notification to the captain of the aircraft (NOTOC) to inform the crew about potential risks of the cargo on board in case of emergencies (dangerous goods, live animals, valuables, etc.), as well as for the right conditioning (temperature) of the cargo holds

- To plan & control bookings, slot-times, goods flows in the warehouse, and ULD and flight bag flows from and to the aircraft in order to prevent delays and assure correct execution of the airline's time-table

- To plan & control worldwide ULD stock

The incoming checks before loading and departure of the aircraft are of vital importance for the airline as well as rest of the process :

- **Commercial checks**

- *According to booking*
- *Correct weights, numbers and volumes of colli indicated*

- **Logistics checks**

- *Delivered RFC*

- **Flight safety checks**

- *Correct weights, numbers and volumes of colli indicated*
- *Correct and undamaged packaging*
- *Potentially hazardous materials declared and correctly labelled and visible*
- *Correct and complete documents and labels*

- **Security checks**

- *Known shipper and forwarder declared*
- *Correct and undamaged packaging*
- *Correct and complete documents and labels*

Next the goods and documents are separately handled, sorted for destination + outgoing flight number.

- Goods and documents are administratively connected by means of labels
- Documents are administrated and temporarily stored
- Goods are handled and temporarily stored

At a certain TBD the building of the ULD's for the flight will start, and the documents will be gathered in the flight bag.

- ULD = Unit Load Device = standardized air cargo loading equipment, e.g.
 - *Main deck pallets*
 - *Lower deck pallets*

- *Lower deck containers*
- *Animal stables or containers*
- *Security containers*
- *Environmentally controlled containers*

ULD's are designed to fit exactly in different aircraft types, and are considered part of the aircraft structure during flight.

Now the ULD's and documents are transported to the aircraft at the ramp.

The ULD's are loaded in the aircraft at the planned positions, and the flight bag, including cargo manifest and NOTOC's, is handed over to the crew.

The cargo doors are shut, and the aircraft is now ready for departure.

During flight the crew will control the temperature in the aircraft cargo holds according to NOTOC or load sheet ; in most aircraft the temperature and air circulation of the cargo compartments can be set per compartment. In case a steady cool temperature is required for the transport, containers with cooling equipment, insulation equipment or dry-ice can be used. Look here for an example document about air freight / cold chain handling of perishables.

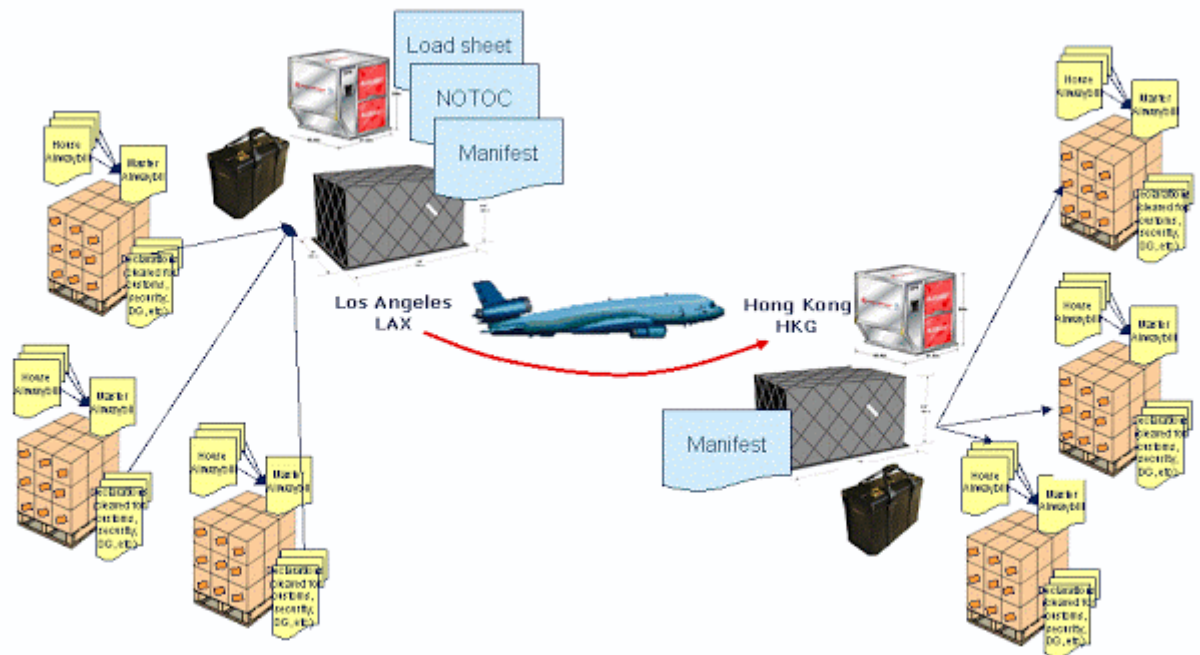
In case of transport of bigger live animals (like horses or elephants), an animal attendant may fly on board and check and look after the animals during flight ; airlines that deliver these services, will often also have special areas at the airport where the animals or pets are taken care of before or after the flight.

Normally, at a certain time before arrival (TBA), the handling agent at origin will now inform or pre-alert the airline's handling agent at destination about the shipments and flight details. This enables the receiving handling agent to prepare receipt of the shipment, e.g. by planning the breakdown priority of the ULD's to ensure a smooth and fast flow of the shipments through the next steps. This pre-alert is the freight forwarding message (FFM).

At the airport of destination, the cargo and flight bag will go through the whole process again, but then 'in reversal'.

At receipt of the ULD's and flight bag in the warehouse and office, the handling agent will inform the receiving forwarding agent that the shipment has arrived and the documents can be picked up.

The manifest is cleared for customs when all individual shipments have been cleared and picked-up by the forwarder.



Not all air cargo travels in ULD's ; smaller cargo packages can also be carried as loose cargo in the belly of the aircraft, just like the passenger's luggage. Air mail for example, is often carried in mail-bags as loose cargo in the belly hold. Loading, unloading and handling loose cargo can be much faster than the the ULD process but it is also less efficient, and requires different handling equipment ; therefore loose cargo is often used for the urgent or highest priority cargo products, and in practice only on narrow-body aircraft.

Finally it is the airline's responsibility to handle claims on behalf of the customer (=forwarder) in case goods are damaged or lost in the A2A process.

Forwarding in

The receiving forwarder picks up the shipment documents at the handling agent.

This pick-up can be done by the forwarder himself, or can be outsourced to a local courier.

The forwarder prepares import documents (if necessary), performs customs clearance for import (electronically or manually) and awaits approval from customs.

- If the forwarder is also a certified customs agent, he will perform the clearance himself (forwarding agent) ; if not he can outsource these activities to a certified customs agent.

- A certified customs agent will always have a financial / credit arrangement with customs to cover eventual import duties and/or VAT due, often by means of a deposit at customs.

- A customs agent knows how to exactly classify the goods for import according to regulations ; this is done based on the packing list and (pro-forma) invoice, so the packages remain unopened.

- Also a customs agent is trained and experienced in acquiring and applying special customs arrangements, licences and exemptions in order to lower or avoid import duties or to speed up the customs process where possible.

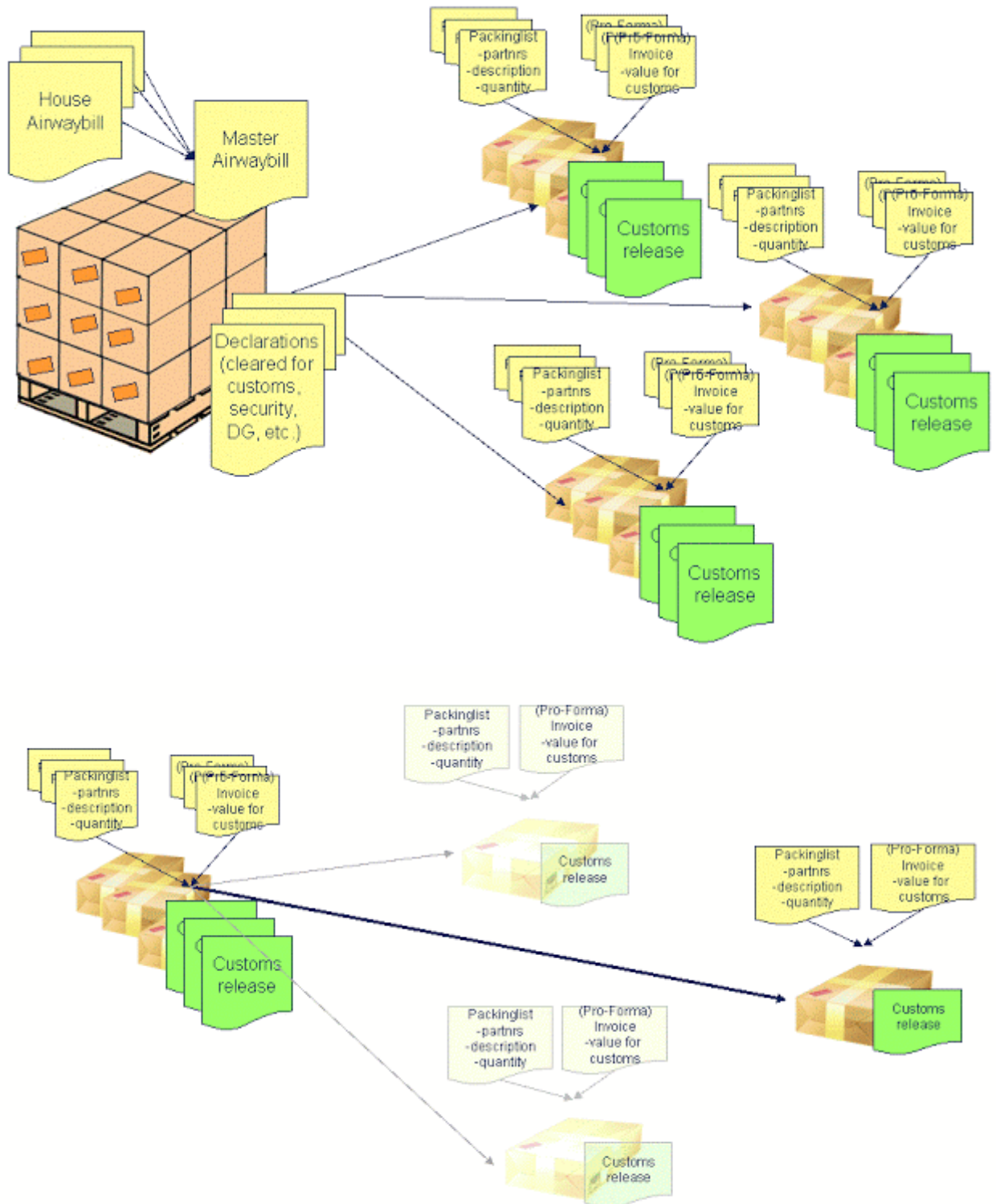
- Customs clearance is never the end-responsibility of the customs agent though, this responsibility remains at the principal and depends on the agreed delivery terms.

At this stage customs can decide to release or hold the shipment for inspection, whereby the packages are opened, and can demand payment of import duties or even fines depending on the customs regulations and judging the type of information given by the customs agent against these regulations and the actual commodity of the goods to be imported

After approval by customs (which must be proven to the handling agent, because the goods are stored under supervision of customs), the pick-up of the goods at the handling agent is ordered, and the goods are delivered at the forwarder's warehouse

- Again, depending on the internal organisation of the forwarder's processes, this road transport can be executed either with in-house operated trucks, vans or personnel or by a third party

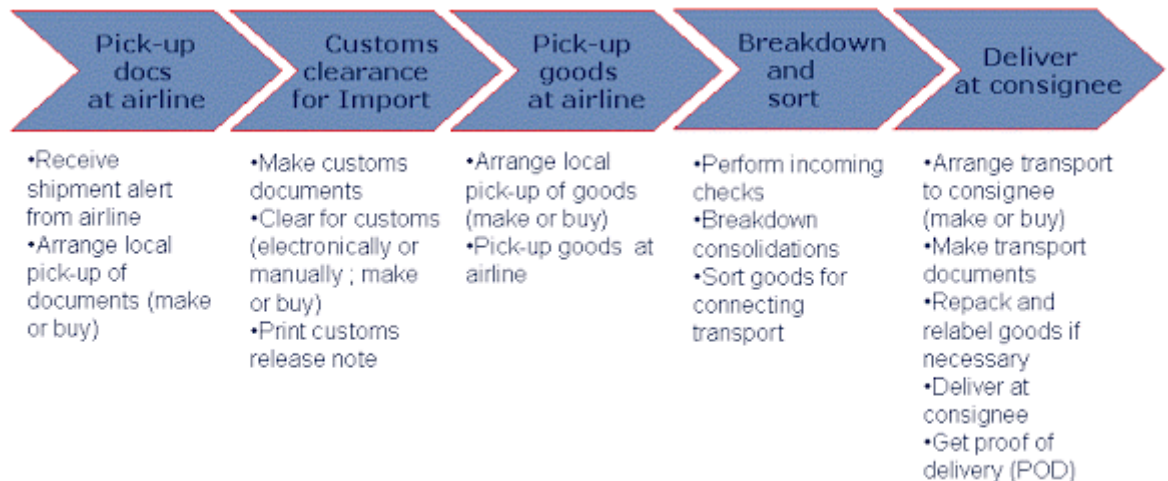
The forwarder splits the shipments, makes them ready for transport again, and orders connecting transport to the consignee.



The goods are picked up by road transport for delivery at the consignee, where the air cargo process will finish

- Again, depending on the transport agreement with the forwarder, this road transport can be organised by either the forwarder or the consignee.
- And again, depending on the internal organisation of the forwarder's or consignee's processes, the road transport can be executed either with in-house operated trucks, vans or personnel or by a third party.

Process overview:



The consignment process

The door-to-door air cargo process ends with the consignee.

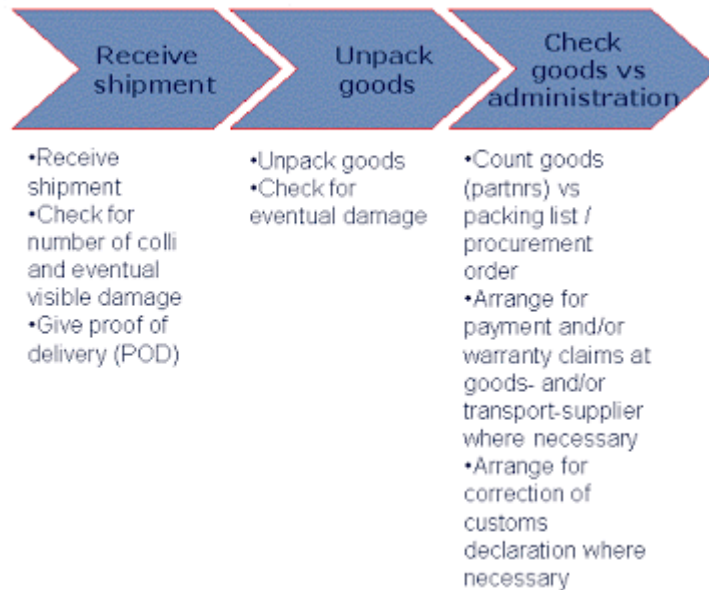
- A consignee is the person or company that is physically and administratively responsible for accepting the goods at final delivery ; nothing more and nothing less
- Although in a lot of cases the consignee is also the customer of the forwarder, just as with the shipper, this is not necessarily so. Also here, the customer can just as well be the shipper, or a third party that has ordered the goods stored at the shipper's location to be shipped from A to B. For this same reason, the consignee also does not need to be the owner of the goods. This all depends on the delivery terms that are agreed between the parties involved, e.g. a buyer, owner of the goods, a seller, a maintenance company, a distributor, a transport company, a forwarder, etc.

The consignee will give a proof of delivery (POD) to the forwarder's transporter.

After receipt, the packages are opened and the contents are checked against the packing list and invoice.

- In case of payment at receipt, and if the goods are received in good order and the right quantities, the goods will be released for payment by the consignee.
- If the quantity received is not correct, the financial as well as the customs administration should be corrected afterward, which is the responsibility of the consignee.

•Process overview:



5. Interest Organisations

The most important Air Cargo Interest Organisations are:

- airlines:
 - IATA
 - ICAO
 - AEA
 - A4A (formerly ATA)
 - ULD CARE
- forwarders:
 - FIATA
- general industry:
 - TIACA
 - GACAG

- WCO / OMD
- shippers:
 - GSF
 - ESC
 - TAPA
- postal organisations (airmail):
 - UPU
 - IPC

IATA

International Air Transport Association

IATA is an international trade body, created over 60 years ago by a group of airlines. IATA has developed the commercial standards that built a global industry. Today, IATA's mission is to represent, lead and serve the airline industry. Its members comprise some 230 airlines - the world's leading passenger and cargo airlines among them - representing 93 percent of scheduled international air traffic.

The organization also represents, leads and serves the airline industry in general.

ICAO

International Civil Aviation Organization

The *Convention on International Civil Aviation* (also known as *Chicago Convention*), was signed on 7 December 1944 by 52 States. Pending ratification of the Convention by 26 States, the Provisional International Civil Aviation Organization (PICAO) was established. It functioned from 6 June 1945 until 4 April 1947. By 5 March 1947 the 26th ratification was received. **ICAO** came into being on 4 April 1947. In October of the same year, ICAO became a specialized agency of the United Nations linked to Economic and Social Council (ECOSOC).

ICAO formulated the 5 Freedoms of the Air, which have been officially recognized as such by international treaty.

The *Convention on International Civil Aviation* set forth the purpose of ICAO:

"WHEREAS the future development of international civil aviation can greatly help to create and preserve friendship and understanding among the nations and peoples of the world, yet its abuse can become a threat to the general security; and

WHEREAS it is desirable to avoid friction and to promote that co-operation between nations and peoples upon which the peace of the world depends;

THEREFORE, the undersigned governments having agreed on certain principles and arrangements in order that international civil aviation may be developed in a safe and orderly manner and that international air transport services may be established on the basis of equality of opportunity and operated soundly and economically;

Have accordingly concluded this Convention to that end."

Today, the International Civil Aviation Organization, a UN Specialized Agency, is the global forum for civil aviation.

ICAO works to achieve its vision of safe, secure and sustainable development of civil aviation through cooperation amongst its member States.

To implement this vision, the Organization has established the following **Strategic Objectives:**

- A. Safety - Enhance global civil aviation safety
- B. Security - Enhance global civil aviation security
- C. Environmental Protection - Minimize the adverse effect of global civil aviation on the environment
- D. Efficiency - Enhance the efficiency of aviation operations
- E. Continuity - Maintain the continuity of aviation operations
- F. Rule of Law - Strengthen law governing international civil aviation

AEA

Association of European Airlines

AEA brings together 36 major airlines, and has been the voice of the European airline industry for over 50 years. Informing, strategy-building and influencing are the main roles of the organisation.

A4A

Airlines for America

Airlines for America (A4A), formerly known as Air Transport Association of America, Inc. (ATA), was the first and remains the only trade organization of the principal U.S. airlines.

A4A leads industry efforts to fashion crucial aviation policy and supports measures to ensure aviation safety, security and well-being. Key current ATA initiatives include:

- Safety First
- Energy Commodities Reform
- Support International Framework for Continuing Emission Reductions
- NowGen – Accelerate ATC Modernization NOW
- Reduce Unfair, Increasing Tax Burden

Since its founding in 1936, the Air Transport Association of America (ATA) has played a major role in significant government decisions regarding aviation, including:

- The creation of the **Civil Aeronautics Board**
- The creation of the **Federal Aviation Administration (FAA)**
- The creation of the **air traffic control system**
- **Airline deregulation**
- **Security and other legislation** in the aftermath of the Sept. 11, 2001 attack on America

ATA is recognized by federal and state government agencies in the United States, as well as the press and general public, for its representation of the industry.

ATA **provides valuable expertise, guidance and assistance** to its members as they chart their futures in an ever-changing market.

ATA leads industry efforts to fashion crucial policy, and supports measures that **enhance aviation safety, security and viability of our aviation system.**

ULD CARE

ULD CARE is a not-for-profit Canadian corporation. Its membership is open to organizations whose scope encompasses any aircraft unit load device (ULD) activity. ULD CARE started as an IATA committee in 1971 and became a legal entity in 2011.

The Mission of ULD CARE is to use the collective resources, skills and grass roots experience of the ULD CARE membership to provide direction and deliver appropriate change in ULD operations throughout the global air cargo operating environment.

The vision of ULD CARE is that regardless of location or process, any ULD shall, at all times and by all parties, be handled, stored, transported and otherwise used in a responsible manner by persons who are suitably trained, managed and supported such that ULD assets may be operated at all times in a manner that is both efficient and meets all regulatory requirements.

Core activities

- Operation of the interline ULD database system, a global and neutral multilateral ULD Control System which provides tracking of ULD movements between members and calculates demurrage for owner's compensation.
- Facilitation of regulatory compliance and best business practices for ULD operations

Deliverables

ULD CARE shall be continually directing its membership and other resources towards:

- Elimination of waste and efficiency improvement in ULD operations
- Management of Risk in ULD operations
- Utilization and adaptation of new technologies in ULD operations
- Global standardization of ULD regulatory and operational practices

Initiatives

In support of the ULD CARE deliverables and in consultation with the membership, the Board will, on an ongoing basis:

- Evaluate industry needs
- Formulate suitable responses to these needs
- Facilitate actions to support these responses
- Promote industry wide acceptance of new practices and procedures

FIATA

International Federation of Freight Forwarders Associations

FIATA was founded in Vienna/Austria on May 31, 1926.

FIATA, a non-governmental organisation, represents today an industry covering approximately 40,000 forwarding and logistics firms, also known as the "Architects of Transport", employing around 8 - 10 million people in 150 countries.

FIATA has consultative status with the Economic and Social Council (ECOSOC) of the United Nations (inter alia ECE, ESCAP, ESCWA), the United Nations Conference on Trade and Development (UNCTAD), and the UN Commission on International Trade Law (UNCITRAL).

It is recognised as representing the freight forwarding industry by many other governmental organisations, governmental authorities, private international organisations in the field of transport such as the International Chamber of Commerce (ICC), the International Air Transport Association (IATA), the International Union of Railways (UIC), the International Road Transport Union (IRU), the World Customs Organization (WCO), the World Trade Organization (WTO), etc.

In summary FIATA is the largest non-governmental organisation in the field of transportation. Its influence is worldwide.

TIACA

The International Air Cargo Association

TIACA is a not for profit trade association for the air cargo industry, pledged to support and assist progressive liberalization of the global market, and easier, enhanced trade between developing and developed economies. It is a worldwide organization that serves a membership which includes all major segments of the air cargo and logistics industry; airlines, forwarders, airports, ground handlers, all-cargo carriers, road carriers, customs brokers, third party logistics companies, integrators, shippers, and educational institutions.

To accomplish its mission and role, TIACA engages in activities that are geared to improve industry cooperation, promote innovation, share knowledge, enhance quality and efficiency, and develop educational programs. TIACA's activities are

aimed to inform both the public and its membership about the role and importance of air cargo, industry developments and technical trends.

TIACA publishes industry position papers, the TIACA Times newsletter and the weekly Regulatory Update. The TIACA website is a valuable industry resource which contains a fully searchable database of information on industry issues. TIACA has developed research relationships with several universities through joint projects and student scholarship programs.

TIACA is committed to representing and advocating the interests of the air cargo industry at meetings of relevant regulatory bodies including the WCO, ICAO, UNCTAD, OECD and others that are open to trade observers.

GACAG

Global Air Cargo Advisory Group

Air cargo security and e-commerce are the priorities of the Global Air Cargo Advisory Group (GACAG). The four founding member Associations are FIATA, IATA, TIACA and GSF.

In relation to air cargo security, the Security Task Force will focus on four areas:

- Advance electronic information process and timelines to improve aviation security risk assessment
- Consignment security declaration process and layout to provide aviation security regulators with an audit trail of who secured what, how and when
- Supply chain security program guidelines to introduce supply chain security in countries where there is none
- Ad hoc supply chain security issues

The Steering Committee will work on a similar set of objectives for e-commerce, Customs and facilitation, and sustainability of the global air cargo industry. These will be published in due course.

WCO / OMD

World Customs Organisation / Organisation Mondiale des Douanes

The World Customs Organization (WCO) is the only intergovernmental organisation exclusively focused on Customs matters. With its worldwide

membership, the WCO is recognised today as the voice of the global Customs community. It is particularly noted for its work in areas covering the development of global standards, the simplification and harmonisation of Customs procedures, trade supply chain security, the facilitation of international trade, the enhancement of Customs enforcement and compliance activities, anti-counterfeiting and piracy initiatives, public-private partnerships, integrity promotion, and sustainable global Customs capacity building programmes. The WCO also maintains the international Harmonized System goods nomenclature, and administers the technical aspects of the WTO (World Trade Organization) Agreements on Customs Valuation and Rules of Origin.

The WCO's mission is to improve the effectiveness and the efficiency of its Member Customs administrations across the globe. While three-quarters of its Members are developing countries, the WCO's combined membership is collectively responsible for managing and processing more than 98% of world trade.

Key activities are:

- Harmonization and simplification of Customs procedures aimed at facilitating trade
- Trade supply chain security and enforcement
- Partnerships and cooperation between Customs organisations on one hand, and with trade related international organisations on the other hand
- Modernization and capacity building of Customs organisations

GSF

Global Shippers Forum

GSF, the Global Shippers' Forum, originally comprised the European Shippers' Council, the Japan Shippers' Council and the US National Industrial Transportation League, under the name 'Tripartite Shippers' Group'. More recently the group has been joined by the Asian Shippers' Council and the Canadian International Transport Association.

Formed in 1994, the Tripartite Shippers' Group (TSG) met annually around the globe to discuss issues of topical importance, whether barriers to competition in the

freight industry, maritime cargo liability reform; congestion on critical transport infrastructure, or developments in supply chain security. In September 2006, Antwerp, the group changed its name to the Global Shippers' Forum (GSF) to reflect the increasing number of countries being represented by the group.

The aims and objectives are: to share information about developments and issues of critical importance to shippers and, where possible through a common voice, seek to facilitate the optimisation of transport efficiency and service quality for shippers by aligning government policy, industry practice and shippers' objectives for mutual advantage.

ESC

European Shippers' Council

The ESC represents the interests of companies represented by 15 national transport user organisation and a number of key European commodity trade associations. It is the principal recognised voice of European shippers.

The ESC maintains an on-going dialogue and is regularly consulted by the European Commission and other Community institutions on transport policy and logistics issues. The ESC also has reciprocal representative arrangements with UNICE (the European Employers Organisation). Another unique aspect of the European Shippers' Council is it is the only multi-modal shippers organisation in Europe.

The E(A)SC document "A Shippers' White Paper on Airfreight" published in September 1995 generated considerable discussion within the European Air Freight Industry. This culminated in the formation of a joint European industry forum, the Forum for Air Cargo in Europe (FACE), in March 1997.

TAPA

Transported Asset Protection Association

TAPA is a forum that unites global manufacturers, logistics providers, freight carriers, law enforcement agencies, and other stakeholders with the common aim of reducing losses from international supply chains. TAPA is represented in the regions Americas, EMEA (Europe, Middle East and Africa) and APAC (Asia / Pacific).

The Association's Mission is to help protect its members' assets by:

- Exchanging information on a global and regional basis
- Co-operating on preventative security
- Increasing support from the logistics and freight industry and from law enforcement agencies and governments
- Promoting and enhancing TAPA's globally recognised and applied Security Requirements

For companies that manufacture, distribute or transport high value products, TAPA membership can add to the success of the business by safeguarding goods and employees, ensuring customer orders are fulfilled and protecting business reputation and financial performance. According to TAPA, their statistics prove repeatedly that their members are measurably reducing cargo crime compared to the rest of the industry.

Specifically for the Air Cargo supply chain, TAPA has developed the TACSS (TAPA Air Cargo Security Standards). These standards have been created and are regularly updated by security and logistics specialists to help TAPA members reduce losses and provide a platform for more uniform conformance with best of breed security. All TAPA standards are independently audited.

UPU

Universal Postal Union

Established in 1874, the Universal Postal Union (UPU), with its headquarters in the Swiss capital Berne, is the second oldest international organization worldwide. With its 192 member countries, the UPU is the primary forum for cooperation between postal and airmail sector players. It helps to ensure a truly universal network of up-to-date products and services.

In this way, the organization fulfils an advisory, mediating and liaison role, and provides technical assistance where needed. It sets the rules for international mail exchanges and makes recommendations to stimulate growth in mail, parcel and financial services volumes and improve quality of service for customers.

The UPU consists of:

- 4 bodies

The Congress

The Council of Administration (CA)

The Postal Operations Council (POC)

The International Bureau (IB)

- 2 cooperatives

Telematics Cooperative

EMS Cooperative

IPC

International Post Corporation

The International Post Corporation (IPC) is dedicated to improving service quality, promoting cooperation and interoperability, and providing informed intelligence about the postal and related markets. Since 1989, the International Post Corporation has set standards for upgrading quality and service performance and developed technology that has helped members improve service for international letters, parcels and express.

IPC helps the postal sector by developing technology and quality improvement systems that are guiding postal operators into the future and keeping the industry a viable and competitive source of communications.

In their own words, as the natural partner for the postal industry, IPC adds tremendous value. Respected as the industry leader in measurement and tracking technology, monitoring service performance, negotiating inter-company pricing and managing operations upgrading, IPC enables posts to achieve the highest standards of quality. In addition, IPC provides platforms for member CEOs and senior executives from the world's leading posts to come together to examine best practices, benefit from shared research, and debate and determine the strategic future of the postal industry.