

# FIATA

Schaffhauserstrasse 104, P.O. Box 364, CH-8152 Glattbrugg, Switzerland  
Tel. +41 (0)43 211 65 00, Fax +41 (0)43 211 65 65  
E-Mail bloch@fiata.com, Internet http://www.fiata.com



## AIRFREIGHT INSTITUTE (AFI)

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**2017-11-16**

To: Delegates, Airfreight Institute (AFI)

cc: Presidency  
Extended Board  
Honorary Members of the Board  
Honorary Members of FIATA  
Association Members  
CLECAT

From: Daniel Bloch, Manager Airfreight Institute (AFI)  
on behalf of Rodolfo Sagel, Chairman Airfreight Institute (AFI)

Subject: **Minutes of the 97<sup>th</sup> MEETING OF THE AIRFREIGHT INSTITUTE (AFI)**  
7 October 2017, Kuala Lumpur Convention Centre (KLCC), Kuala Lumpur, Malaysia

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ATTENDANCE (Registration) List as per Annex I

### 1. **Opening of the meeting and welcome by the Chairman**

The meeting was opened by the AFI Chairman Mr Rodolfo Sagel.

He welcomed all the delegates to the 97<sup>th</sup> AFI Meeting and requested the AFI Manager to read out the: **Statement from FIATA regarding Correct Behaviour under Anti-Trust Law**

This statement was published on the website, displayed on a screen and noted on the agenda to this meeting. He insisted that all should abide these guidelines.

*“FIATA policy strictly prohibits any discussion or other communication the purpose or effect of which is to set prices, allocate markets or customers, engage in tying arrangements or refrain from purchasing any goods or services from any particular supplier or vendor. It is mandatory that you familiarize yourself with FIATA’s written antitrust policy which the secretariat has made available to all participants.”*

The Chair continued with:

### 2. **Approval of the minutes of the 96<sup>th</sup> Meeting in Zurich, March 31, 2017**

(Doc. AFI/387)

The minutes were published on the FDDS. No comments were received from the delegates in writing, or at the meeting. The minutes were unanimously approved.

The Chair announced

**Mrs Joana Coelho.** IATA-FIATA Governance Manager, to speak about the Agenda Item No.

### 3. **IATA FIATA Air Cargo Program (IFACP)**

**Mrs. Coelho** in her presentation gave members a swift overview of the current status of the new program. She informed briefly how a Forwarder can join, explained the formation and functions of

the Regional Councils and about Implementation of the key milestones thus far achieved and those which still needed to be achieved. She explained further, that once the new IFACP is rolled out in Canada, all current IATA accredited agents would necessarily have to sign up for the new program as the old Cargo Agents program would cease to exist; alternatively, such agents could then re-apply as CASS Associates. She then requested Mr Bill Gottlieb, the Chairman of CIFFA's Airfreight Committee and FIATA Past President to inform the house on the status of the IFACP Pilot launch in Canada and progress thereof.

**The Chair** – Mr. Sagel then requested Mr Bill Gottlieb, the Chairman of CIFFA's Airfreight Committee and FIATA Past President to inform the house on the status of the IFACP Pilot launch in Canada and progress thereof.

[Mrs. Coelho's presentation](#) is available on the [FIATA website](#) and as Annex II to these minutes.

[More information about the IFACP is available on the FIATA website:](#)

**Mr Bill Gottlieb**, Chairman of CIFFA's Airfreight Committee, briefly updated the delegates about the IFACP pilot's status that was launched mid of August in Canada.

Mr Gottlieb stated that after so many years talking about the vision and the preparation, he was happy to announce that the IFACP was about to become reality.

Canada had been chosen as the pilot country in part because it is the smallest of the IATA Agency Program's regions, with 107 accredited forwarders and 400 CASS Associates. Additionally, IATA maintains their Head office in Montreal, Canada and CIFFA has been very engaged in the Cargo Agency Modernization Project (CAMP) since its inception in 2012.

The take-aways from the pilot are that there has to be engagement between the National or Regional Association and the Local IATA Office, so they can work together efficiently and effectively to roll-out the program. A couple months prior to the launch, IATA will share its list of accredited forwarders with the FIATA Association members, so that individual forwarders can be identified. In CIFFA's case approximately 75% of the accredited agents were CIFFA members.

As earlier mentioned by Mrs. Joana Coelho, when the IFACP is launched in a region, the first notice comes from IATA to the accredited forwarders advising that the program is kicking off, suggesting forwarders update, via the IATA portal, any changes to their company profiles, and provides the timeline for the rollout. It was noted that many forwarders needed to update their portal administrator contact, as in many cases it was an accounting clerk, and not senior management.

In Canada, that IATA notice was sent out on August 15<sup>th</sup>, and was followed 24 hours later by a joint Press Release from CIFFA and Air Canada. CIFFA invited our National Carrier to support CIFFA's efforts during the rollout, and they accepted. CIFFA then collaborated with IATA Canada to organize three webinars, over a four-week period, considering the vast size of Canada, it was felt that webinars would be the most effective way to provide information to the forwarding community. It was noted that the last webinar, held after forwarders received their IFACP Agreement, had the higher participation rates and prompted the most questions.

On September 18<sup>th</sup> IATA sent out a second notice, requesting forwarders to access the IATA portal and download the new IFACP Forwarder's Agreement, and the need to sign two copies and send them back to IATA in Spain. CIFFA decided to assist our members by;

- pressing IATA to waive any change fees applicable to updates made by forwarders to their company profiles;

- having our association legal counsel review the agreement, potentially avoiding allowing members having to do individual legal reviews;
- offering to arrange the courier from Canada to Spain if members would send their signed agreements to the CIFFA office.

We expect that going forward that the vast majority of IFACP Forwarder's agreements will be signed electronically, and we are currently working on a list of countries when the legal frame allows this possibility.

The notice asked for agreements to be returned by October 31<sup>st</sup>, and stated that; *"The IFACP will be declared as fully implemented in Canada on October 31<sup>st</sup>, 2017 after which the current IATA Cargo Agency Program will be suspended. Any Agent that does not sign-up and transfer to the IFACP will be terminated as an accredited IATA Cargo Agent, the IATA Cargo Agency Agreement will be suspended, and the forwarder will need to reapply to participate in the CASS, as a CASS Associate."*

**Mr Gottlieb repeated the consequences if one would not transition to the new program.**

It is the forwarders choice what they wish to do. But the status quo will not remain, it needs to be made clear, that program that has been in place for the last five decades will no longer exist. If accredited forwarders wish to remain in the CASS, they need to sign the IFACP Agreement, or apply to participate in CASS as a CASS Associate, a process with is several times more onerous, than simply signing the IFACP Agreement.

Mr Gottlieb stressed the importance that forwarders and their associations have to be pro-active. We need the Associations to engage with the local IATA offices and national carriers. All the issues that were encountered by CIFFA during the Canadian roll-out will be put into an implementation package which is going to be shared with FIATA's Association Members, and regional associations as well.

AFI looks forward over the next fifteen months to bring the rest of the world into the IFACP program by the rollout deadline of December 31<sup>st</sup>, 2018, with the full global implementation on 1<sup>st</sup> of January 2019.

That can only be done with the involvement and support of FIATA's Association members and of course AFI and in particular, Mrs Joana Nunes Coelho will be there to provide the necessary help in that regard.

**Mr Paul Golland, AFIF, Australia** asked whether it is possible that IATA could consider an indemnity or an amnesty for company profile changes in the IATA Portal, during the IFACP Application period.

**Mr Gottlieb** replied that this is something AFI is discussing with the Airlines and IATA. AFI had requested the amnesty for the rollout in Canada. Which was granted, but under the proviso that it was a one-time amnesty just for Canada. AFI is working to persuaded IATA and the Airlines to take this as a precedence going forward for the sake of efficiency and to expedite the IFACP registration process.

**Mr Alec Koh, SAAA, Singapore** raised two concerns with the IFACP and he had to bring history back for the future. He was wondering whether the representatives of the Airlines were aware of this new program. Because, more often than not, we sitting across the table, they seem to be going head-on with all the resolution and they do not change.

**The Chair** confirmed that this was a real problem, it is IATA's responsibility to inform its member airlines and AFI continues to address this issue with IATA.

**Mr Brian Lovell, AFIF**, said that he heard earlier that all current IATA accredited Agents would have to opt-into the new program unless they wished to opt out. Now he hears that they are required to sign the IFACP Forwarders Agreement and return it to IATA. He was not sure that legal advisors would agree that forwarders must have a new agreement. Mr. Lovell suggested that -every accredited agent automatically becomes part of the new program, after a notice period of 45 – 90 days, unless they 'opt-out'. Subject to legal counsel in the country giving approval.

**Mr. Gottlieb** responded that the rollout requires the signing the new IFACP Forwarders Agreement. The IATA Agency Agreement what is in force today, is no longer fit for purpose, forwarders do not act in the capacity as an agent of the carrier, and the governance structure is dysfunctional. That among other issues is why AFI is supporting and presenting the IFACP, and its Freight Forwarder Agreement.

**The Chairman** continued with the next Agenda item:

#### **4. The Economics of Air Cargo: the current situation, the trends, the challenges**

He referenced the [program of the FWC where one can find speaker profiles of all speakers:](#)

##### **Mr Andy Ricover, Senior Air Transport Specialist from Argentina**

Mr. Sagel went on to add, that after twelve years since he took over in Moscow in 2005 as AFI Chair it had been a long and fruitful journey. Mr. Sagel explained that he wanted to leave his finger prints and so he had requested the Key Speaker Mr Andy Ricover to concentrate his presentation on Latin America as the other Speakers were anyway going to speak about the rest of the World.

Following Mr Ricover's presentation, no questions were raised.

Consequently, two representatives of Asian Airlines offering services as Cargo Carriers were invited to portray their views of trends and future of the industry.

##### **Mr Frosti Lau, General Manager Cargo Service Delivery, Cathay Pacific Airways**

##### **Mr Ahmad Lugman, MAB Kargo Sdn Bhd.**

[All the presentations are available on the FIATA website](#) and under annexes III, IV and V to these minutes.

**The Deputy Chairman Mr Keshav Tanna** reacted to a point made by Mr Luqman.

In his presentation Mr. Lugman touched upon the fact that in time to come the Airlines could start interacting directly with the Shippers; Mr. Tanna questioned whether the Airlines were indeed equipped to do this by passing the Forwarder?

As per Tanna the forwarder should not be seen any more simply a forwarder. Today's forwarder adds a lot in the value-chain, e.g. getting the cargo ready for carriage and keeping track of shipments handling SOS situations and provides supply chain and logistics solutions; in fact, today more and more Shippers require integrated 3PL and 4PL which the forwarders are providing.

**Mr J.C. Delen** quizzed and asked a reverse question making the debate even more provocative - He had asked whether the shipper would be ready to be a direct customer with the airline? Mr. Delen further asked whether the airlines would be today in a position to be the service provider to the shippers?

**Mr Luqman** replied that probably today the answer for most airlines would be No. But in the medium term, with the advancement of technology there could be some new discussion that we might have.

**The Chair** thanked the speakers and for the fascination conveyed by the presentations that showed facts and trends and differences of Latin Americas Air Cargo Traffic in comparison and in connection to the rest of the world.

He praised the excellent presentations and handed to all panellists a memento of appreciation.

Mr. Sagel requested Mr William Gottlieb, FIATA Past President to report on the next agenda item.

## **5. ICAO – FIATA UPDATE**

**Mr. Gottlieb** delivered a short update about the ICAO FIATA Dangerous Goods by Air Training Program which was coming into its sixth year of existence.

ICAO and FIATA recently renewed for an additional term their training cooperation. AFI continues to meet regularly with ICAO's Training and Development Institute, and the parties look forward to continued grow in the program, for the benefit for both the forwarder and shipper communities.

They were having frequent contact with ICAO's Training and Development Institute, and the parties look forward to continued grow in the program, for the benefit for both the forwarder and shipper communities.

Individuals interested in enrolling in an upcoming, initial or recurrent training class, are encouraged to contact Mr Bassil Eid (eid@fiata.com) for more information.

Organizations interested in delivering the ICAO FIATA Dangerous Goods by Air Training Programme, are encouraged to contact Mr Bassil Eid (eid@fiata.com) to obtain further information on how to become an accredited Training Centre.

The slides pertaining to the ICAO update are attached under annex VI.

**Mr Sagel** invited Mr Gottlieb in his capacity as GACAG Chair to report under the next agenda item.

## **6. GACAG update**

**Mr Gottlieb** informed the delegates that The Global Air Cargo Advisory Group (GACAG) provides the air cargo industry with a, unified voice in its dealings with international regulatory authorities. GACAG is a group made up of FIATA, IATA, the Global Shippers Forum and TIACA.

The recently published industry priority document highlights the key air cargo industry issues.

For more information and to view the GACAG joint industry priorities paper 2017, you may consult the FIATA website under Initiatives - [Air Cargo – GACAG industry priorities](#).

Mr Gottlieb presented to the delegates Mr Glyn Hughes, Global Head of Cargo of IATA, who was in the audience, asking him to stand up. Mr. Hughes was GACAG Chairmen for the years 2015 - 2016.

FIATA has now taken over the secretariat for 2017 - 2018 and appointed Mr Gottlieb, Chairman. After which the secretariat and chairmanship will pass to the Global Shippers Forum for 2019 - 2020.

## **Thank you Rudi Sagel !**

**Mr Keshav Tanna the incoming AFI Chair**, thanked Mr Rudi Sagel on behalf of the entire AFI and FIATA team for Rudi's contribution to the Global Airfreight Industry. "It is under his leadership that we saw the launch of the IFACP in Canada after years and years of hard work. His passion for airfreight is unquestionable"

**Mr. Tanna** in getting the assistance of Mrs Joana Nunes Coelho and Mrs Antonella Straulino handed over to Mr. Sagel a token of appreciation from his AFI Friends in sincere appreciation of his treasured contribution given throughout the years to the AFI as its Chair. He went on to add that Mr. Sagel would continue to be a source of guidance as he had kindly consented to stay on board the IFGB as a voting member.

**Mr Sagel** addressed the audience and thanked for the trust he had received throughout the years.

He closed the meeting with a vote of thanks to the FIATA Secretariat team, especially to the Airfreight Manager – Mr. Daniel Bloch.



**Mr Hughes, IATA Global Head of Cargo** thanked Mr Rudi Sagel on behalf of IATA for the last twelve years for bringing a certain colour and passion. He added that the meetings with him were very pleasurable, He loved every minute working with Rudi Sagel and looked forward continuing of doing that.

**7. Any other business**

None

**The Chair** informed about:

**8. Date and Place of the next 98<sup>th</sup> AFI meeting**

As part of the Headquarters Meetings held between **15-17 March 2018** in Zurich, Switzerland. Exact date to be announced.

**Hotel Crowne Plaza**  
Badenerstrasse 420  
8040 Zurich, Switzerland

**9. Closing**

**The AFI Chairman** thanked the members for attending the AFI session and closed by saying:  
“See you next March in Zurich.”