

FIATA

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AIRFREIGHT INSTITUTE (AFI)

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**To: Association Members
Delegates, Airfreight Institute (AFI)**

cc: Presidency
Extended Board
Delegates, Airfreight Institute (AFI)
Honorary Members of the Board
Honorary Members of FIATA
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From: Daniel Bloch, Manager Airfreight Institute (AFI),
on behalf of Rodolfo Sagel, Chairman Airfreight Institute (AFI)

Subject: FIATA (AFI) POSITION ON E-FREIGHT

The forwarding community which books and processes 'ready for carriage', over 80 % of the world's air cargo consignments, welcomes initiatives to facilitate the movement of air cargo.

The airfreight industry was highly innovative in the 1970's and 1980's with the introduction of an uniform air waybill and neutral air waybill, standardized ready for carriage processes, and a series of electronic messaging to enhance the efficiencies of moving cargo by air, and interlining consignments between carriers.

However, due to the inability of air carriers to move away from legacy systems, over that past 15 years, the evolution of cargo facilitation stalled, attempts to go paperless failed, and air cargo fell far behind the maritime and road transport modes, in adopting technological change to improve the effectiveness and efficiency of cargo movements.

FIATA has expressed concern from the inception of the IATA initiative termed e-Freight. The bases of those concerns are:

- The project is an out growth of the success airlines had with e-Ticketing, and the misplaced belief that cargo and passenger requirements are similar.
- The stated goal of significant savings for carriers, and no consideration of the costs applied on other stakeholders in the supply chain.
- That the focus of the project is too broad, undertaking to extend beyond the airport to airport sector in which the airlines trade, to an overly ambitious desire to cover from buyer to seller. Entering into the area that air carriers have little understanding, knowledge or expertise; the documentary requirements of commercial traders.
- The timelines to accomplish even limited market implementation and acceptance is measured in years, when the air industry needs solutions with implementation times measured in months.

FIATA has clearly stated to IATA at various times during the roll out of their e-Freight program, its desire to assist in a re-focusing the project to embrace current technology, seeking first to improve the efficiencies in the airport to airport airfreight documentary procedures, then in an evolutionary process expand the project as necessary. This to bring both an immediate value and benefit to airlines and their customers, as well as providing a framework towards a more aggressive implementation of future e-commerce.

Our philosophy is that the air industry does not have to reinvent "the wheel", to improve facilitation of the air cargo documentary process. It only needs to partner with the forwarding community, which has systemic experience in both the Road and Maritime modes, to allow for a workable solution to move quickly ahead in the modernization of air cargo facilitation.

It is unfortunate, that IATA does not share the same vision, and FIATA believes the anemic market acceptance of e-Freight, underscores the need for IATA to change its focus to one that is more industry relevant.

FIATA still closely follows the e-Freight program and while remaining with concerns over its direction, actively informs its members on the program's status, and supports any member's, who desire to involve themselves in the program. However, there has been little expression of interest from the FIATA membership.

FIATA concurs with others in the air cargo industry, that there is a need to engage in candid discussions aimed at identifying and resolving issues in IATA's e-Freight attempt towards air cargo facilitation. It's regrettable that IATA has yet to demonstrate a sincere willingness in this regard.
