



IATA Cargo Business Process

Customs Advisory Group (CUSAG)

Approach

January 9, 2009
Conference Call



Conference Call Agenda

1. Welcome & introduction
2. Approval of the Terms of Reference
3. Chair and Vice-Chairs nominations
4. Reviews Customs issues & agree on strategy/approach
 1. Americas
 2. Europe, Middle East and Africa
 3. North Asia
 4. Asia Pacific
5. Any other business
6. Date of the next conference call & face to face meeting



Welcome & introduction



Introduction

- The industry need a more proactive relationship with Customs Administrations
- Many Customs are implementing Advance Cargo Information not aligned with International Standards
- The Cargo Committee decided to establish a senior Customs Advisory Group (CUSAG)

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Approval of the Terms of References

CUSAG: Objectives

- Ensure that Customs requirements will take full account of the interests and constraints of the airline industry
- Ensure that Customs requirements are compatible with existing:
 - International Customs standards (i.e. WCO)
 - Industry standards (i.e. IATA, ICAO)
- Primary focus will be on advanced electronic cargo reporting requirements for risk assessment purposes

CUSAG: Principles

- Compliance
- Simplicity
- Cost-efficiency
- Quality



CUSAG: Actions

1. Review and endorse IATA Positions related to Customs.
2. Report Customs requirements with challenging compliance issues
3. Assess and identify appropriate responses to Customs issues
4. Lobby, consult and dialogue with Customs administrations
5. Ensure that the requirements and compliance procedures are communicated to the industry
6. Coordinate with the IATA FIATA Customs Working Group
7. Ensure that Customs requirements are included in IATA standards & initiatives
8. Communicate regularly to the Cargo Committee the progress made in influencing Customs



CUSAG: Composition (1/2)

- 20 representatives (max. 17 airlines & 3 association)
- Fair representation from the regions of the world (3-6 airlines per Area)
- Cargo Committee will appoint every two years the members of CUSAG
- 1 Chair and 2 Vice-Chairs will be elected to preside the CUSAG
- IATA will provide Secretariat
- Customs representatives (including WCO) may be invited



CUSAG: Composition (2/2)

CUSAG

REPORTING TO IATA CARGO COMMITTEE

IATA Coordinator – Frederic Leger/John Edwards

- American Airlines - Martjuchin, Dmitri
- Air Canada - Karen Jones
- Air Transport Association of America - Barbara Vatier
- Delta Airlines - Orrin Ramstad**
- FedEx - Robby Beau
- United Parcel Service of America - Janet Shearn

CUSAG Area 1 (The Americas)

IATA Coordinator - Mike White

- Air France KLM - Jean Dunaux
- Association of European Airlines - Lena Hamann
- British Airways World Cargo - Andy Miller
- Cargolux - Henrik Ambak
- Lufthansa Cargo - Axel Klein*

CUSAG Area 2 (Africa, Europe, Middle East)

IATA Coordinator - Bill Acheson

- Air China Cargo - Frank Yan
- Cathay Pacific Airways - Francis Yuen
- Korean Air - Jae Kim Dong
- Singapore Airlines - Nazim Ros

CUSAG Area 3 (North Asia & Asia Pac.)

IATA Coordinator North. Asia - Wei Wang

IATA Coordinator Asia Pac. - Katz Inaba

* CUSAG Chair

** CUSAG Vice-Chair



CUSAG: Rules & Procedures

- 1 Scheduled meeting per year
- Interim meetings will be held by phone (approx. 1 per month)
- Quorum for any meetings is established with 10 participants
- Decisions are adopted by a majority of the members present
- Changes to the ToRS are adopted by 2/3 majority of the Members



CUSAG: Roles & Responsibilities

- Each member of the CUSAG shall participate in his or her capacity as an industry representative
- CUSAG members will be responsible for identifying resources to support CUSAG objectives
 - Knowledgeable in regional or national Customs affairs
 - Knowledgeable of IATA standards & international Customs Standards
 - In a position to lobby effectively in the regional or national Customs forum
- IATA will coordinate meetings of the CUSAG (agenda, reports...)

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Chair & Vice-Chairs Nominations



CUSAG: Chair & Vice-Chairs Nominations

- Candidates for the Chair and Vice-Chairs positions
- Voting will be expected from the CUSAG members by email

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Reviews Customs issues & Agree on Strategy / Approach

CUSAG: Area 1 (Americas)

United States

- Movement of current US Customs Air Automated Manifest System (Air AMS) to new ACE system
- Development of electronic export system
- Expansion of current Air AMS into inland Customs ports for closing inbonds
- Expansion of IATA e-freight into additional customs ports
- Fines and penalty improvements

Canada

- “Flying Truck” manifest requirements
- Real-time reporting to CBSA of aircraft arrivals

CUSAG: Area 1 (Americas)

Jamaica/Mexico

- Development and implementation of new electronic advance cargo manifest system

Peru

- Government requirements for reporting piece counts

Brazil

- Need for published mitigation guidelines
- Fines and penalties

CUSAG: Area 1 (Americas)

Development of an IATA electronic cargo manifest system

- Target countries for going electronic
- Develop strategy for presenting and selling IATA template to countries
- Develop government contacts
- Present case
- Offer solution
- Develop a global standardization

CUSAG: Area 2 (Europe, Middle East and Africa)

Europe

- Legislation for the European Union will eventually require the use of three systems:
 - Import Control System (ICS)
 - Export Control System (ECS)
 - New Computerised Transit System (NCTS)

- ICS will require the provision of risk assessment information and an Entry Summary Declaration (ENS)

- ECS and NCTS phase 1 are already running but Carriers will be affected more by Phase 2

- EC is debating postponing ICS implementation until 31 December 2010 (we are requesting that Phase 2 of ECS should also be postponed)



CUSAG: Area 2 (Europe, Middle East and Africa)

- A detailed presentation on EC Import Control System (ICS) has been shared with the Cargo Managers
- In order to coordinate the industry position IATA actively participates in:
 - EC Trade Contact Group
 - EC ECS Open Movement Working Group
 - European Express Association (EEA) Technical Working Group
 - Association of European Airlines (AEA) Customs Group

Middle East and Africa

- IATA champions are needed in these locations to keep abreast of developments and to represent the industry at a local and national level.
- At this stage, some of the countries believed to be developing advance reporting requirements are:
 - Egypt
 - South Africa

CUSAG: Area 3 (North Asia)

P.R. China

- Relevant Custom Decree and Bulletins for the manifests management of export and import transportation of China have been released by China Customs through out 2008.
- Implementation date on 1st January 2009

HKG SAR & Chinese Taipei

- No schedule

CUSAG: Area 3 (North Asia)

China Customs Manifest Management System

Legal Provisions

- Regulation No.172
 - Released by China Customs on 28 March, 2008
 - Aligned with the WCO SAFE Framework of Standards

Technical Specifications

- Data format, fully adopted
 - the principles and standards defined by WCO
 - data model V2.0 of WCO

CUSAG: Area 3 (North Asia)

How to approach the Customs with the members in China?

Meeting

- Meeting Between Customs official and domestic and overseas carriers will be held in BJS next week (week 3).
- CN Customs will update the progress on the new China Customs' system. In the meantime the Customs official will answer the relative queries from airlines.

Information exchange

- Frequent information exchange between Customs, Carriers and IATA local office on a weekly base.

Help Desk

CUSAG: Area 3 (Asia Pacific)

Japan requirements – General guidelines

➤ **Date of Implementation**

February 01, 2007

➤ **Required Information Elements**

Airport of origin / Airport of destination / Cargo description
Quantity / AWB number

➤ **Deadlines by Flight Duration**

Longer than 5 hours □□	→ 3 hours before arrival
Between 3 hours and 5 hours □	→ 1 hour before arrival
Shorter than 3 hours □□□□□□	→ before arrival

CUSAG: Area 3 (Asia Pacific)

Japan requirements – Overall issues

➤ Procedure

All elements have to be input into NACCS (Nippon Automated Cargo Clearance System) – cannot accept FFM directly : manual entry or need to build up an interface between airline and NACCS

➤ HAWB Information

No HAWB information – strong objection by agents due to insufficient time before flight arrival

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Any Other Business

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Date of the Next Conference Call & Face to Face Meeting



Next Conference Call

- Proposed Date and Time:
 - 18 Feb. 2009 1500-1600 GVA time

- Proposed Agenda Items
 - Review Position Paper on Advance Security Notification
 - Discuss any new Customs Requirements per region
 - Review the Customs Requirements - China



Next Face to Face Meeting

- Option 1: Friday 6 March 0830-1230 in BKK
- Option 2: Wednesday 15 April 0930-1730 (Location TBC)