



IATA US Domestic e-freight

Functional Specifications

<IATA Cargo>

<IDFS>

<20/11/2009>

Distribution List

Approved copies of this document will be issued to:

Name	Business Area
Frederic Leger	Cargo Business Process & Standards
Steve Smith	IATA e-freight Project

DOCUMENT CONTROL & DISTRIBUTION

Version History

Version	Amendment Description	Date	By
0.1	Original Draft	30/07/2009	Zhi Yong LIAO
0.2	Editorial Changes	02/09/2009	Zhi Yong LIAO
0.3	Feedback from 1 st Task Force Teleconference	17/09/2009	Zhi Yong LIAO
0.4	Feedback from 2 nd Task Force Teleconference	10/10/2009	Zhi Yong LIAO
0.5	Feedback from 3 rd Task Force Teleconference	26/10/2009	Zhi Yong LIAO
0.6	Feedback from 4 th Task Force Teleconference	16/11/2009	Zhi Yong LIAO
0.7	Feedback from 5 th Task Force Teleconference	20/11/2009	Zhi Yong LIAO

1 Introduction

1.1 Objective

The objective of this document is to clearly define 'US domestic e-freight shipments' and give an overview of the business processes and electronic messages that could be implemented for the carriage of the US domestic e-freight shipments.

It is important to note that IATA domestic e-freight is an integral part of the IATA e-freight project and the development of the 'IATA US Domestic e-freight Functional Specifications' will contribute to the IATA e-freight penetration at domestic level and also provide recommended practices to IATA domestic e-freight implementation in other locations.

1.2 Background

Currently some US domestic shipments have already achieved 'paperless' in various ways. Stakeholders participating in the IATA e-freight project expressed the necessity to define 'US domestic e-freight shipments' in order to qualify and quantify those US domestic shipments as IATA domestic e-freight shipments. Therefore, it is necessary to understand how the US domestic shipments are currently transacted, and to define standards by which US domestic shipments should be transacted on an electronic basis, to enable the shipments involved to be handled as IATA e-freight shipments and obtain the full benefits.

For such US domestic e-freight shipments, the tasks involved would be to:

- ✓ Establish a clear definition for a US domestic e-freight shipment
- ✓ Identify the 'As-Is' business process for US domestic shipments
- ✓ Develop the 'To-Be' business process for US domestic e-freight shipments
- ✓ Determine the information and/or EDI messages to be exchanged between the stakeholders in lieu of paper documents

1.3 Definitions¹

AIR WAYBILL: A document made out by or on behalf of the shipper, which evidences the contract between the shipper and airline(s) for the carriage of cargo over the routes of the airline(s).

CONSIGNEE: The person whose name appears on the air waybill or in the shipment record as the party to whom the cargo is to be delivered by the airline or its agent.

CONSIGNMENT: Is equivalent to the term "shipment", means one or more pieces of goods accepted by the airline from one shipper at one time and at one address, receipted for in one lot,

¹ Other than the definitions for Forwarder, House Waybill, Invoice, and Packing List the rest of the definitions are as per CSC Resolution 660 Attachment 'A' Interline Traffic Agreement – Cargo: Article 1 - Definitions

and moving on one air waybill or one shipment record to one consignee at one destination address.

CONSIGNOR: Shipper in case of direct booking with Carrier or his agent.

FORWARDER: The party arranging the carriage of goods including connected services and/or associated formalities on behalf of a shipper or consignee. (*MacAndrews Shipping Dictionary*)

HOUSE WAYBILL: The document made out by an agent/consolidator that evidences the contract between the shipper and the agent/consolidator for the arrangement of carriage of goods.

INVOICE: An invoice is a commercial document issued by a seller to the buyer, indicating the buyer and the seller, and the products, quantities, and agreed prices for products or services the seller has provided the buyer.

PACKING LIST: Document specifying the distribution of goods in individual packages.

SHIPPER: Equivalent to the term “consignor” means the person whose name appears on the air waybill or in the shipment record as the or in the shipment record as the party contracting with the airline(s) for carriage of goods.

US DOMESTIC SHIPMENT: A consignment accepted at and destined for the addresses within the US.

Note: Consignments to or from the US territories such as Guam, Puerto Rico, US Virgin Islands, etc., are not considered as US Domestic Shipments in this document due to the required customs procedures involved.

1.4 Scope

1.4.1 Which consignments are in scope?

Consignments (including express consignments) transported as US domestic shipments (as defined herein) are the only consignments in the scope of this document.

Note: The US domestic interlining consignments are not considered in scope of this document.

1.4.2 Which goods are in scope?

The cargos that are in free circulation without customs requirements within the US, as indicated in the transport documentation/information, are being considered.

Note: Provided that the accompanying paper documents are not among the 12 core documents² as specified by IATA e-freight, special cargos such as dangerous goods and live animals, etc., should be considered in scope.

1.4.3 Which goods are not in scope?

Goods not in scope include restrictive goods (e.g., ammunitions) as well as imported goods that have not been cleared by customs (e.g., in bond shipments).

1.4.4 Which stakeholders are in scope?

As there should be no Customs procedures involved, the stakeholders are considered to be:

- a. Shippers
- b. Freight forwarders
- c. Ground Handlers
- d. Airlines

1.4.5 Which documents are in scope?

Most of the required information to be exchanged between the stakeholders is included in the following documents:

- Air Waybill for domestic shipments
- Letter of Instruction*
- Invoice
- Packing List
- House Waybill

*Instructions could be provided in an unstructured format, e.g. phone call, e-mail, but a formal letter is preferable.

Note: Flight Manifest is not included because all the relevant information is available in the carrier's system, and neither Flight Manifest nor FFM are generally used in the US domestic carriage; House Manifest is not included because it is not generally used in the US domestic carriage.

1.4.6 Which documents are not in scope?

- Shipper's Declaration for Dangerous Goods³

² Core documents: invoice, packing list, house manifest, air waybill, house waybill, flight manifest, export goods declaration, customs release export, export cargo declaration, import cargo declaration, import goods declaration, customs release import.

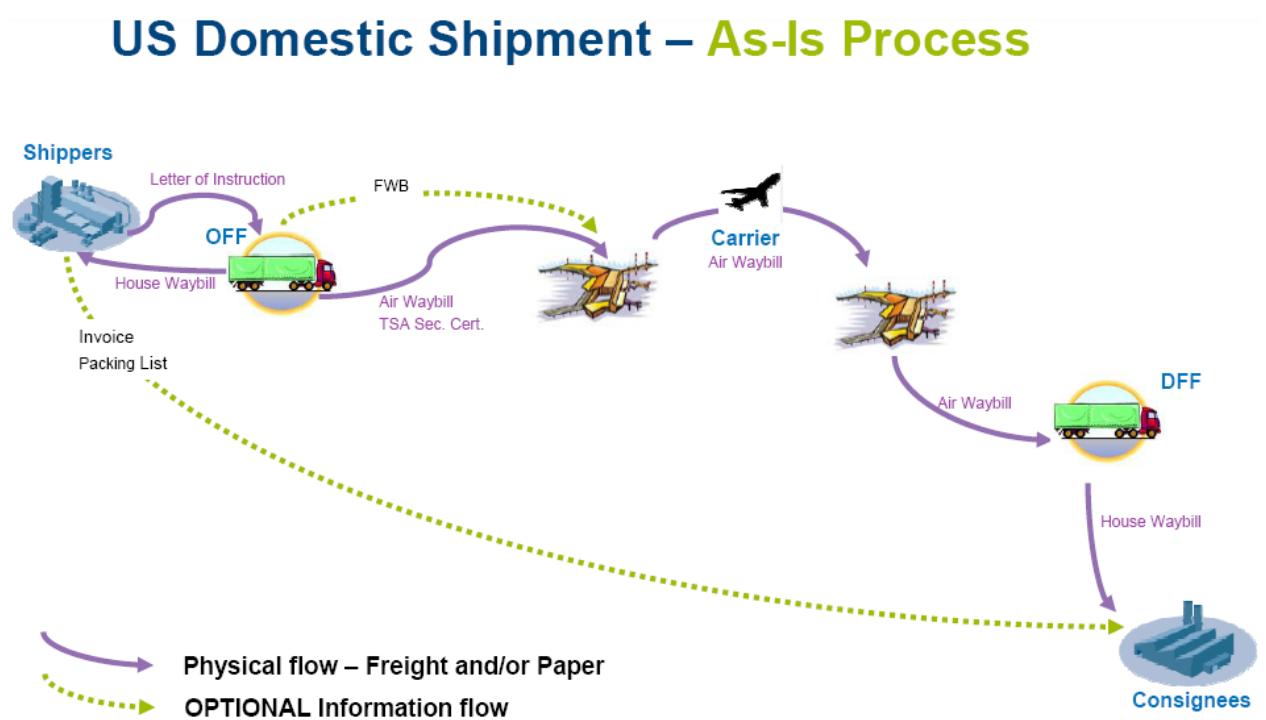
³ The paper format of the Shipper's Declaration for Dangerous Goods is required by the US DoT for dangerous goods shipments to, from, through, and within the US.

- CITES Permit / Certificate
- Certificate of Origin
- Other documents, e.g. consignment note, special certificates, security declarations (TSA security certificate), forwarder freight invoice, truck manifest for road movement, etc., that are not in the current scope of e-freight and will therefore not be covered by this document at this time although they may be covered in future versions.

1.5 As-Is Business Process

1.5.1 As-Is business process overview

The following high level 'As-Is' business process is currently in place in the US domestic market:



1.5.2 As-Is business process description

1. Shipper tenders the goods to the Origin Freight Forwarder (OFF) along with the Letter of Instruction (which could also be accomplished by other means, e.g. phone call but a formal letter is preferable).

Note: Shipper sends the invoice, packing list, and any other documents related to the goods directly to the Consignee.

2. The OFF issues a House Waybill to the Shipper.

Note: Shipper may provide the Consignee with electronic access (e.g., by FTP) to the trade documents such as Invoice and Packing List.

3. OFF tenders the Consignment to the Airline at origin along with the Air Waybill and the TSA security certificate.

Notes:

- (a) Any accompanying document pouch would be part of the Consignment tendered by the OFF.
 - (b) OFF may also send the electronic Air Waybill data to the Airline at origin.
 - (c) OFF may also send the electronic Air Waybill data and House Waybill data to the Destination Freight Forwarder (DFF).
4. Airline at origin accepts the Consignment as ready for carriage and returns the appropriate signed copies of the air waybill to the OFF.
 5. Airline at origin transports the Consignment along with the Air Waybill to the destination station.

Notes:

- (a) The TSA security certificate should be kept at the station where the screening occurred.
 - (b) When interlining, the transferring airline should issue an interline security certificate (this is different from the security certificate provided by the OFF) which is tendered to the receiving airline.
 - (c) Airline at origin may send the electronic Air Waybill data to the destination station.
6. Airline at destination hands over the Consignment to the Destination Freight Forwarder (DFF) along with the Air Waybill.
 7. The DFF accepts the Consignment and returns the appropriate signed copies of Air Waybill as proof of delivery.
 8. DFF delivers the Consignment to the Consignee.

1.5.3 'As-Is' business process concerns

The issues identified for the 'As-Is' business process are as follows:

- Too much manual data entry and opportunities for mistakes
- Too much paper handling
 - Printing
 - Scanning
 - Sending
- Too many ways of communicating the same information
 - Paper
 - E-mail (PDF)
 - EDI
- Too few EDI capabilities & options available
- Limited XML over the internet capability

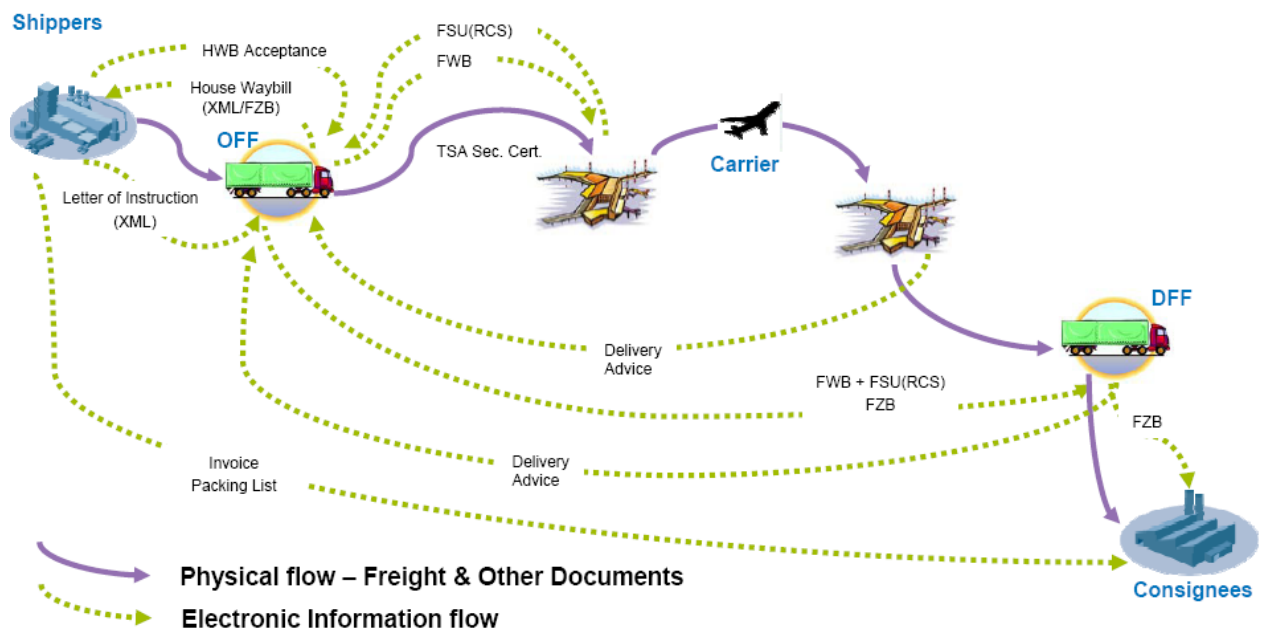
- No clear awareness of what EDI standards should be used

2 To-Be Business Process

2.1.1 To-Be business process overview

The following high level To-Be business process is envisioned for the US domestic e-freight:

US Domestic e-freight – To-Be Process



2.1.2 To-Be business process description

1. Shipper tenders the goods to the Origin Freight Forwarder (OFF) and sends the electronic version of the Letter of Instruction to the OFF.
2. OFF sends the electronic House Waybill to the Shipper.
3. Shipper electronically accepts the electronic House Waybill.
4. Shipper provides Consignee with electronic access (e.g., by FTP) to the trade documents such as Invoice and Packing List.
5. OFF sends the electronic air waybill data to the Airline at origin.

Notes:

- (a) For Consignments that are not pre-booked, the required service level (or the corresponding service code) should be clearly indicated in the electronic air waybill data sent by the OFF;

- (b) Special handling code 'EAW' indicating 'e-freight Consignment with No Accompanying Paper Documents' should be inserted in the Special Handling field of the electronic air waybill data when there are no paper documents accompanying the Consignment;
 - (c) Special handling code 'EAP' indicating 'e-freight Consignment with Accompanying Paper Documents' should be inserted in the Special Handling field of the electronic air waybill data when there are paper documents accompanying the Consignment. (These are the documents that are not part of the 12 core documents⁴ that IATA e-freight aims to remove, e.g., Veterinary Certificate, CITES Permit.)
 - (d) Some required air waybill information stipulated in CSC Resolution 600a (e.g., 'Declared Value for Customs') would be optional as they are not required for US domestic shipments.
6. OFF tenders the Consignment and the TSA security certificate to the Airline at origin.
Note: The development of the electronic security declaration will be assessed by the IATA Secure Freight team.
 7. Airline at origin accepts the Consignment as ready for carriage and sends an electronic acceptance to the OFF.
 8. OFF sends the electronic air waybill data and electronic House Waybills to the Destination Freight Forwarder (DFF).
Note: The special handling code 'EAW' or 'EAP' may also be inserted in the electronic House Waybill as indicator of IATA e-freight shipment.
 9. Airline at origin makes available the confirmed electronic air waybill data to the destination station.
 10. Airline at origin transports the Consignment to the destination station.
 11. Airline at destination station hands over the Consignment to the DFF.
 12. Airline at destination station electronically advises the OFF of the delivery.
 13. The DFF sends the electronic House Waybill to the Consignee and delivers the Consignment to the Consignee.
 14. The DFF may electronically advise the OFF of the delivery of the Consignment to the Consignee.

⁴ Core documents: invoice, packing list, house manifest, air waybill, house waybill, flight manifest, export goods declaration, customs release export, export cargo declaration, import cargo declaration, import goods declaration, customs release import.

2.1.3 To-Be Standard Electronic Messages

IATA e-freight recommends the following electronic message standards to be used by parties in an e-freight environment:

Document Type	Organization	Standard	Message
Invoice	IATA	UN/CEFACT XML	Invoice
Packing List	IATA	UN/CEFACT XML	Packing List
Shipper's Declaration for Dangerous Goods	IATA	UN/CEFACT XML	Shipper's Declaration for Dangerous Goods
Letter of Instruction	IATA	UN/CEFACT XML	Letter of Instruction (to be developed end of 2009)
House Waybill	IATA	Cargo-IMP	FZB
Air Waybill	IATA	Cargo-IMP	FWB & FSU (RCS)

It should be noted that IATA is currently undertaking the XML development of key Cargo-IMP messages, including the FWB and FZB.

Development of message standards for use by Freight Forwarders will involve Freight Forwarder representatives coordinated with FIATA and their regional associations.

3 Benefits of the proposed solution

Implementing the proposed To-Be business process would bring the following benefits:

- Reduced manual data entry and fewer opportunities for mistakes
- Less paper handling
 - Less printing
 - Less scanning
 - Less sending of scanned images
- Less duplicated communication of the same information
- Use of existing technical capabilities and existing standard electronic messages with limited number of enhancements

Annex 1

MESSAGE SPECIFICATIONS

The Invoice specifications of the Invoice can be provided. Please contact IATAe-freight@iata.org.

The specifications of the Packing List can be provided. Please contact IATAe-freight@iata.org.

The specifications of these IATA standard electronic messages are described in the Cargo Interchange Manual Procedures (Cargo-IMP) that can be accessed and purchased at the following URL: www.iata.org/ps/publications/cimp.htm