July, 2002
Vol. 55 No.3

President's Message

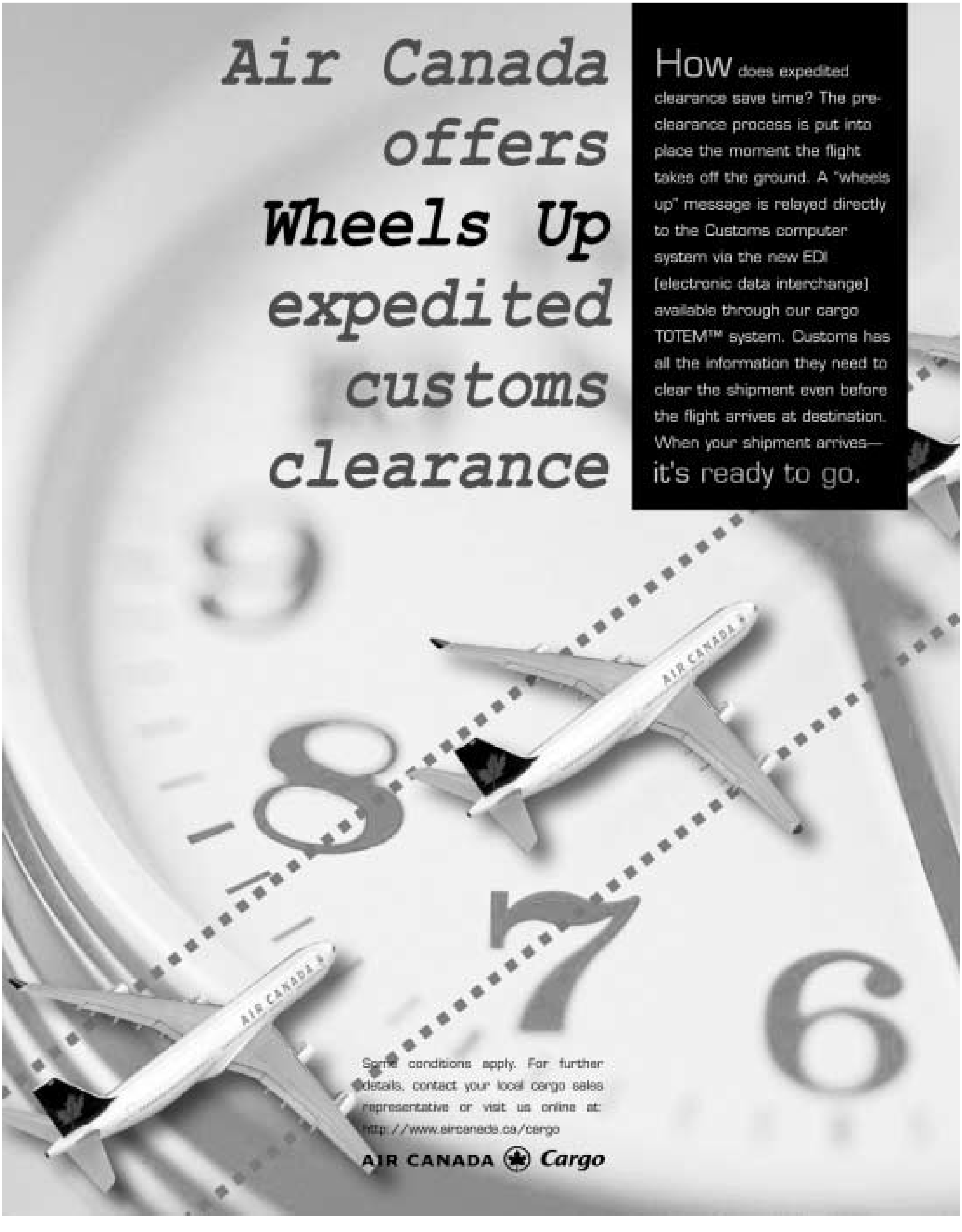
Though Canada is presently enjoying surprising economic growth, we remain susceptible to the results achieved by our neighbor to the south. While the signs in the United States are somewhat encouraging, there is no assurance that their economy will not slide back into a depressing state. It remains fragile and ours is likewise.

In this context, we have concerns and serious reservations about two programs being implemented, or about to be implemented, by the revenue branch of government. One of these initiatives already undertaken by the CCRA is the examination of export shipments by customs. The need for interdiction and risk management, particularly since 9/11, is fully supported by Ciffa. The value of life, limb and security cannot take a back seat. We do however question the process as well as the allocation of costs!

The present physical examination process is resulting in the delay of export shipments. Cargo is missing sailing schedules and trade relationships between commercial partners are beginning to show signs of strain. This is further compounded by the fact that the costs for these examinations must be borne by the shipper. We believe this is grossly unfair. Security is a national issue and the country should assume the costs associated with it, as it is a national expenditure for the public good.

A second program from CCRA, the Administrative Monetary Penalties initiative (AMPS), has tentatively been re-scheduled for implementation in October of this year. The development of the program has been a work in progress for some time, but it is only recently that the details have become publicly available. The intent was and is to attain a high degree of compliance (100%) in fulfilling the requirements of customs. Failure to do so will result in the application of a monetary penalty. Repeat offences are subject to an escalating schedule. The extensive nature of the offences will have a negative impact on trade and result in even more congestion at the ports of entry. Importers and exporters alike, having become aware of the costs associated with the program, are fearful of what it will do to their business activities. It will be particularly harmful to the small and medium size business sector. CCRA enunciate the program as being for compliance and that they are not doing it for revenue purposes. However,

(Continued on page 3)


Air Canada offers Wheels Up expedited customs clearance
How does expedited clearance save time? The pre-clearance process is put into place the moment the flight takes off the ground. A "wheels up" message is relayed directly to the Customs computer system via the new EDI (electronic data interchange) available through our cargo TOTEM™ system. Customs has all the information they need to clear the shipment even before the flight arrives at destination. When your shipment arrives—
it's ready to go.
AIR CANADA
Some conditions apply. For further details, contact your local cargo sales representative or visit us online at: http://www.aircanada.ca/cargo
AIR CANADA Cargo

President’s Message

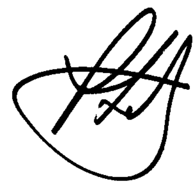
(Continued from page 1)

based on a trial period and at primary monetary levels, CCRA project revenues to be approximately $22 million in the first year, escalating thereafter as field agents become more knowledgeable and higher levels of penalty schedules are applied. Unquestionably, it is a cash cow, even at the level indicated.

As suppliers of essential services to the trading community, we are in the forefront of any activity or undertaking that may have an impact on trade. We do not want to see Canada’s competitive position eroded due to inappropriate methods in applying policies or excessive diligence by field agents in the application thereof.

While we strongly support the need for policies, we believe there is a need for considerably more consultation to examine and investigate alternative methods that are less intrusive and more manageable, but can achieve the same end result of solid security.

Yours sincerely,



Paul Lobas, President

Some US Statistical Tidbits in Transportation

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) has released its monthly Transportation Indicators Report showing that air travel and air freight levels began to show a slight recovery in the early months of this year.

Although passenger and freight numbers for February domestic flights remained down from a year earlier, they did not fall as much as the same measures fell in January.

The measure for freight; revenue ton/miles i.e. 1 ton of freight transported 1 mile - was down 9 percent from February 2001 whilst revenue ton-miles were down 14 percent in January compared to a year earlier.

‘Transportation Indicators’ provides information on more than 300 trends in the areas of safety, mobility, economic growth, the human and natural environment, and national security. The monthly report provides information to address specific transportation issues and to assist in the effort led by BTS to make transportation information more accurate, reliable and timely. Updated reports are available on the BTS website at the end of every month: www.bts.gov. Here is some additional statistical information of potential interest:

Rail intermodal traffic in the week ending May 11 was 11 percent higher in the U. S. and 12 percent higher in Canada than in the comparable week last year.

Consumer prices for new cars and trucks have decreased 3 percent since 1997, while consumer prices for all other components of private transportation have increased.

Operating revenues for large air carriers were down 26 percent in the fourth quarter of 2001 from a year earlier, while expenses declined 12 percent. Passenger revenues were down 30 percent and freight revenues were down 8 percent.

Business investment in transportation equipment was 7 percent lower in the first quarter of 2002 than the first quarter of 2001.

The U.S. imported 12 percent less petroleum, on a net basis, in March 2002 than in March 2001.

Continual updating of information on trends will help in developing forecasts for the future, both within the department and outside. The monthly report will also help transportation decision-makers spot changes that might require rapid action.

The validity of these statements has not been statistically tested. BTS is testing a statistical monitoring process in order to apply statistical quality control techniques to the Indicators data.

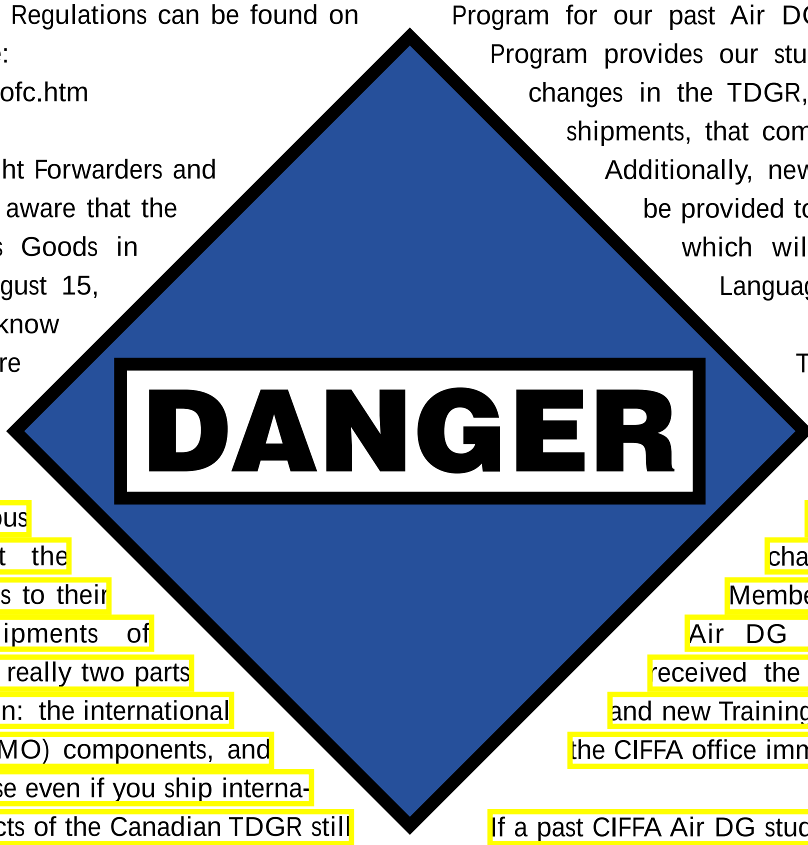
Changes to the Canadian Transportation of Dangerous Goods Act and Regulations

(There are changes coming to the Dangerous Goods legislation in Canada on August 15, 2002, that affects Shippers and Freight Forwarders. Make sure you are prepared for them.)

In Canada, the Canadian government regulates the transportation of Dangerous Goods by all modes of transport, under Transport Canada. The Canadian law (Transportation of Dangerous Goods Act and Regulations - TDGR), which provides the details of how to move these shipments, has just undergone a re-write. This re-write is also known as "Clear Language", and becomes effective on August 15, 2002.

The full Clear Language TDG Regulations can be found on the Transport Canada web site:
http://www.tc.gc.ca/tdg/clear/tofc.htm

What does this mean to Freight Forwarders and Shippers? First, you must be aware that the rules for moving Dangerous Goods in Canada are changing on August 15, 2002, and second, you must know what the applicable changes are for your specific operation.



CIFFA provides its Members with Air and Ocean Dangerous Goods courses, to impart the requisite knowledge and skills to their staff, who deal with shipments of Dangerous Goods. There are really two parts of the training and qualification: the international Air (ICAO/IATA) or Ocean (IMO) components, and the TDGR component (because even if you ship internationally by air or ocean, aspects of the Canadian TDGR still apply).

Ocean DG Training and Qualifications - If someone has taken CIFFA's Ocean DG training courses over the past two years, they have already learned what the applicable changes in the new Clear Language TDG Regulations are. The previous training and Training Certificate provided, already met the requirements of the Clear Language TDGR. Therefore, no additional steps or actions are required. Their Ocean DG qualification remains in effect until the expiration date stated on their current Training Certificate. Just remember that there are changes taking place to the TDGR on August 15th, which may have an impact on your operation.

Air DG Training and Qualifications - If you have previously taken CIFFA's Air DG training courses, then you need to update yourself on the TDGR component, before August 15, 2002. CIFFA has developed a Self-Study Update Training Program for our past Air DG students. This Training Program provides our students with the applicable changes in the TDGR, for international Air DG shipments, that come into effect August 15th. Additionally, new Training Certificates will be provided to our past Air DG students, which will comply with the Clear Language TDGR.

This Update Training Program and new Training Certificate was sent to all past Air DG students, free of charge, as a service to our Members. If you are a past CIFFA Air DG student, and have NOT received the Update Training Program and new Training Certificate, please contact the CIFFA office immediately.

If a past CIFFA Air DG student does not complete this training by August 15, 2002, that person's Air DG qualification will be deemed to have expired, and they can no longer legally deal with DG shipments. Failure to complete this Update Training, sign the new Training Certificate, and have the employer sign the new Training Certificate, will put them and their company in breach of Canadian law, and subject to legal penalties.

CIFFA Strategic Plan Approved at 53rd AGM

At the recent CIFFA AGM held in Mississauga, the members were given a presentation by CCRA with regard to the AMPS program. As a follow up to this presentation CIFFA has created a Frequently Asked Questions section on our website.

This can be accessed at:
http://www.ciffa.com/downloads/2002/June/17/AMPSFAQ.pdf

All members should review these FAQs to keep aware of what procedures are in place with regard to AMPS.

CIFFA will continue to update this section of our website with new information as it becomes available through member inquiries.

Following the AMPS presentation, the National Board of Directors presented their annual reports and the Treasurer presented his financial report.

(Continued on page 18)

Standing: (Left to Right)
John O'Brien - *Vice President I. Team World Wide Ltd.*
Marc Bibeau - *Director, OEC Overseas Express (Canada)*
Doug Burek - *Director, Education*
Peter Schwerdt - *Director, GeoLogistics Co.*
Anders Fisker - *Director, FCI Fisker Cargo*
Pat Cullen - *Director, Rodair International Ltd.*
Tony Young - *Vice President II. LCL Navigation Ltd.*
Joe Kueppers - *Director, J.H. Bachmann (Canada) Inc.*
Werner Herding - *Treasurer. Exec. V.P., Panalpina Inc.*
John DiCorpo - *Director, FedEx Trade Networks Transport & Brokerage (Canada) Inc.*

Seated: (Left to Right)
Donald Lucky - *Vice President III, Cole Freight Inc.*
Paul Lobas - *President, ITN Logistics Group*
Marilyn Massoud - *Secretary-Manager*
George Kuhn - *Executive Director*
Steve Valentine - *Director, Cargo Alliance Ltd.*

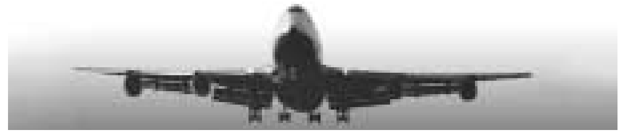
Absent From Photo:
Rachelle Anger - *Director, Quad City Port Services, Inc.*
Bill Gottlieb - *Immediate Past President, David Kirsch Forwarders Ltd.*
Bob Walker - *Secretary, Carson International*
Craig McKay - *Director, Adanac International Forwarders*
Stephane Ethier - *Director, Livingston International*

Standing: (Left to Right)
Rino Muzzin - *Palmer Muzzin Inc.*
Arnis Bredovskis - *FCI Fisker Cargo Inc.*
Bob Burns - *Carson International*
Len Nataro - *CG&B Group*
Joe Kueppers - *J.H. Bachmann (Canada) Inc.*

Seated: (Left to Right)
Jodie Wilson - *LCL Navigation Ltd.*
Eileen Warren - *Welke Global Logistics Ltd.*
Wendy Trudeau - *Exel Global logistics (Canada) Inc.*

Air Cargo News

Contributed by Trevor J. Stebbing, VP., QCPS Air Cargo - YUL



BALANCE OF POWER WITHIN CANADA SLOWLY SHIFTING: Whilst Air Canada still controls the vast majority of the Canadian domestic market., monthly operating statistics for June revealed Air Canada was at 79.7 % in June, compared with 81.8 % in May. Air Canada flew four billion RPMs in June, an increase of 1.7 per cent over June of 2001. However, domestic RPMs were down 2.1 per cent to 1.2 billion. It was the first month since the November failure of Canada 3000 in which Air Canada reported a year-over-year drop in domestic RPMs. Calgary-based WestJet, who consistently has reported excellent results, (21 straight increases on earnings thus far) flew 297.5 million RPMs in June, a 59.5-per-cent increase over the year-earlier period, and continues with its success as it added services to/from Toronto Pearson. In addition Montreal-based newcomer, Jetsgo, the new discount carrier launch by former Royal Airlines President Mr. Michel Leblanc, flew 18.1 million RPMs in June after launching service on 12th June, is off to an excellent start.

AEROLINEAS ARGENTINAS: Is continuing to cautiously grow and re-claim its former routes. It has recently announced plans to add services from Madrid, Spain and Miami, U.S.A.. Currently at Madrid, where the airline already has an MD80 aircraft based, it operates to Paris CDG (3x a week) and London Gatwick (4x a week) and plans are to start similar routes to Athens, Istanbul and Vienna. In addition Aerolineas Argentinas plans on basing an MD80 in Miami for services to Montreal and Toronto.

AIR CANADA: Has upgraded its Vancouver to New York JFK service from an Airbus A319 to a cargo friendly Boeing 767 effective 01st July. Also, commencing 01st August through 05th September inclusive, to meet with demand, Air Canada will be adding a second daily Montréal-Dorval to Frankfurt service Tue, Wed, Thu, Fri, operated under code share with Star Alliance partner, Lufthansa, to complement:-

Also in the news, Air Canada has successfully applied for 3 new code share agreements with fellow Star Alliance member Varig Brazilian Airlines.

AIR TRANSAT: Transport minister David Collenette has announced that Air Transat has been designated to serve Portugal. Air Transat will operate up to 7 flights per week from Toronto and Montreal to Lisboa and Porto during the summer season. During the winter season, the airline proposes to operate up to 2 flights per week between points in Canada and Lisboa and Porto.

Starting in the fall, Air Transat has announced that it will increase wide bodied flights out of Quebec City from 4 to 6 a week, with cargo-friendly A310-300´s The airline will operate flights to : Fort Lauderdale (USA), Cancun & Puerto Vallarta (Mexico), Cayo Coco & Varadero (Cuba), Puerto Plata & Punta Cana (Dominican Republic).

CANJET: Relaunch with an inaugurate flight on Sunday 23 June between Halifax and Toronto and now provides services to/from YHZ/Halifax – YQM/Moncton – YOW/Ottawa – YUL/Montreal – YYZ/Toronto with a fleet of 4 x Boeing 737-200´s.

EMIRATES: Is planning to start service to US next year. In a first stage Emirates would fly to Chicago, New York and Los Angeles. Emirates would later add service to South America with flights to Recife, Rio and Sao Paulo as well as Buenos Aires. Emirates has announced that it will likely order more new aircraft. The airline is re-planning its future and expects to have results by September 2002. At this time Emirates has the following aircraft on order : 29 Airbus A330s, 6 Airbus A340-500s, 8 Airbus A340-600s. 22 Airbus A380s (+10 options) and 37 Boeing 777s.

EVA AIR: Has announced that it plans to retire all aircraft that have been in service for more than 12 years.

JAT YUGOSLAV AIRLINES: Was unable to inaugurate service from Belgrade to Toronto on the 11th June, 2002 as it did not obtain the necessary landing rights for the route.

JETSGO: The new Canadian airline of former President of Royal Airlines, Michel Leblanc inaugurated services on Wednesday 12th June with its first flight from Montreal to Toronto at 0700. Jetsgo currently operates with a fleet of 3 x 160 seater MD80's and provides services to/from on 3 daily return flights between Montreal and Toronto, and daily return flights from Toronto to Vancouver, Winnipeg and Halifax, with seasonal services to/from Stephenville and Sydney. Additional aircraft are planned to be added in the fall.

KLM Royal Dutch Airlines: Operated its last service to Calcutta (India) on Wednesday (10Jul). KLM suspended the route because of poor passenger loads but will continue to serve Delhi and Mumbai. However, KLM´s advances into Africa continue. 15th August will see the launch of twice weekly (Thu. Sun) with cargo friendly Boeing 767-300 service from Amsterdam to Abuja, Nigeria. The service from Amsterdam to Abijan will become non-stop effective 15th August.

KOREAN AIR: Has made the following service additions and improvements on its North American network from Seoul to:

Atlanta - 3x a week nonstop instead of via Dallas.
Chicago O'Hare - Increase from 4 to 7 flights a week.
Honolulu - Increase from 4 to 7 flights a week.
Los Angeles - Increase from 21 to 28 flights a week.
New York JFK - Increase from 10 to 12 flights a week.
Washington Dulles - Increase from 3 to 4 flights a week.

LAUDA AIR: The CTA just approved a license for Lauda to fly charter flights between Canada and Italy. The Agency will issue to the applicant a licence authorizing it to operate a non-scheduled international service to transport traffic on charter basis between points in Italy and points in Canada.

LUFTHANSA: Cargo load factor in June increased 7.7 points to 66.8%. Lufthansa carried 137,000 metric tons of cargo in June, up 0.7% on the year.

Lufthansa also confirmed it has canceled its order for 60 Fairchild Dornier 728/928 regional jets. Lufthansa is now in talks with Bombardier and Embraer about a replacement order.

The carrier has also received EU antitrust approval to share routes between Germany and Austria with fellow Star Alliance partner AUSTRIAN AIRLINES after agreeing to give competitors a piece of the market. The European Commission exempted the alliance from competition regulations until the end of 2005 after the carriers gave rival airlines as many as 40% of their takeoff and landing times for flights between Germany and Austria.

Lufthansa Cargo AG is selling its 25% stake in DHL International to Deutsche World Net for U.S. $593 million, pending a final contract and approval from regulatory authorities. Lufthansa says it intends to continue working in close cooperation with both DHL and Deutsche Post as its strategy.

NORTH WEST AIRLINES: Inaugurated its seasonal summer service from Memphis to Vancouver on 8th June with cargo friendly A320-200.

SOBELAIR: Has been taken over by Belgian World Airlines. The airline will continue its charter flights and will, for the first time, initiate scheduled flights as well. Plan is to service destinations not in SN Brussels' network such as Athens, Cairo, Istanbul, Moscow and Tel Aviv. The airline also wants to start service to South Africa with 3 weekly flights to Johannesburg and/or Capetown from Nov 2002 or Apr 2003.

SOUTH AFRICAN AIRWAYS: Will increase service from Johannesburg to New York JFK from 4 to 5 flights a week on 01Jul. All flights are operated with a Boeing 747-400.

SWISS INTERNATIONAL AIR LINES LTD: Effective 01st July 2002 became the new official name of Crossair, through which Swissair has been reborn. Swiss has decided to name all the aircraft in its fleet after mountains in its home country of Switzerland.

On the cargo side, effective 01st July, 2002 air waybills issued electronically must show, as Issuing Carriers' Name and address (box 1C of the air waybill) the following:-

Swiss International Air Lines Ltd
P.O. Box 4002 Basel, Switzerland

New pre-printed air waybills will be made available by mid-July. Air waybills printed with the old Crossair name will continue to be accepted until such time as they are replaced. Your local Swiss World Cargo sales representative will contact your according.

As of 01st July, 2002, all payments made to the airline must be made payable to:- SWISS INTERNATIONAL AIR LINES LTD. All other business aspects remain unchanged (this is an airline name change only).

Recovery in Sight for Air Transport Market

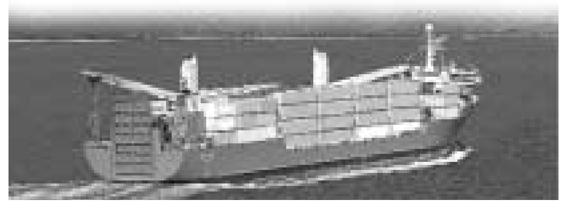
It appears that the air transport industry is set to make a noticeable recovery in 2003, according to a forecast report released by International Air Transport Association (IATA) in Geneva.

The report, covering 2003 to 2005, predicts that freight volume worldwide will rise by 5.2 per cent. Volumes on both the East Asia/North America and East Asia/Europe lanes are set to increase sharply, according to the report.

It is predicted that freight volumes between East Asia and North America will increase by 7 per cent annually, making East

(Continued on page 17)

Sea Cargo News



Loss Prevention Alerts

Reproduced from the TT Talk e-bulletin

The following two items have important loss prevention messages. So, please read them carefully!

1. Handle that furniture with care!

Did you know that consignments of furniture from tropical and sub-tropical regions are sometimes fumigated with a substance called Sulphuryl Fluoride? This substance is widely used to control termites and other wood-boring insects as it has excellent penetrative properties. The problem is that it is highly toxic and takes a long time to disperse. And, because it is odourless, it is very difficult to detect. If Sulphuryl Fluoride were carried as a cargo, it would be classified as hazardous under the IMO's dangerous goods code. When it is simply used as a fumigant for other cargo, there is no requirement to declare that on the carriage documents, nor to label the container in any way.

If you are handling containerized consignments of furniture from south-east Asia and similar climatic regions, do not take chances. Do not enter the container as soon as it is opened. First allow it to ventilate with its doors open for half an hour or so, just in case there are toxic vapour residues still present.

For more detail on Sulphuryl Fluoride, see the article by Andy Trasler on the TT Club website at http://www.ttclub.com/ttclub.nsf/ByKey/AMIR-56EF96?OpenDocument

2. Entering Cargo Values in Bills of Lading

Sometimes a shipper asks the carrier to issue a bill of lading which includes the value of the goods on the face of it - usually because the letter of credit requires this to be done. It is very dangerous for the carrier to comply with this request because the end result could be that the carrier loses its right to limit its liability. Under the Hague-Visby Rules, for example, the carrier is allowed to limit its liability to 666.67 SDRs per package or to 2SDRS per kilo of the goods lost or damaged, whichever is the higher, UNLESS "the nature and value of such goods have been declared by the shipper before shipment and inserted in the bill of lading." Note that a mention of the value of the cargo anywhere in the bill of lading is probably sufficient to expose the carrier to unlimited liability for loss or damage. The mention does not have to be in the 'declared value' box, or similar special place.

Remember too, that if you do enter the value of the cargo in the bill of lading, your cargo liability insurance with the TT Club will not cover you for your excess liability - that is to say, the amount by which your liability has increased beyond what it would have been, had no value been inserted.

So, if you receive a request from your shipper to insert the value of the cargo, along with the other particulars, in the bill of lading, don't do it .... UNLESS the shipper is willing to pay a new freight - called an ad valorem freight - which is based upon the value declared rather than the weight and dimensions of the consignment as normal. If the shipper agrees to pay an ad valorem freight, you will need special insurance from the Club, the cost of which you will presumably want to pass on to your customer.

For more detail on entering cargo values in transport documents, see the article by Andy Trasler on the TT Club website at: http://www.ttclub.com/ttclub.nsf/ByKey/AMIR-56GLWT?OpenDocument

First Box in New Security Plan Arrives

By R.G. Edmonson, JoC ONLINE, June 12, 2002

The first container in the 'Operation Safe Commerce Supply-Chain Security Program' made its arrival at the Osram Sylvania plant in Hillsborough, N.H., according to Ann O'Keefe, traffic manager.

The container was equipped with a tracking device that enabled U.S. officials to track it to Hillsborough from the company's sister factory at Nove Zamky, Slovakia. The container of automotive lamps departed on May 22 and arrived June 7 by way of Hamburg and Montreal.

O'Keefe said that the container carried an electronic device that downloaded its tracking data to receivers located at strategic points, such as the U.S.-Canada border.

Operation Safe Commerce is a public-private partnership that evolved in the Northeast earlier this year to explore ways in which technology could be used to keep trade lanes open while protecting supply chains from tampering by terrorists or others. (JoC Week, March 25).

Officials are calling the Osram Sylvania shipment Phase 1 of Operation Safe Commerce, indicating further tests are needed. Data from the container will be analyzed by the Department of Transportation's Volpe Center in Boston.

Operation Safe Commerce is planning a news conference Friday in Hillsborough to announce the success of the project.

Shipping Federation of Canada Appoints Richard Le Hir as New President

The Executive Council of The Shipping Federation of Canada has appointed Mr. Richard Le Hir as the Federation's new President and CEO.

A graduate in Law from the University of Montreal, Mr. Le Hir is a member of the Quebec Bar. He has gained substantial experience in corporate and government relations with some of Canada's largest corporations. In the early nineties, he spearheaded the revival of the Quebec Division of the Canadian Manufacturers Association (now known as the Canadian Alliance for Manufacturers and Exporters).

The Executive Council is confident that Mr. Le Hir's background and experience will significantly contribute to the Federation's ability to represent the interest of its membership in Ottawa and elsewhere, and to promote the public image of the maritime industry.

Mr. Le Hir will assume his new position on July 22, 2002.

Collenette Unveils Transportation Blueprint

A major initiative for Transport Canada over the next twelve months will be the development of a new transportation "blueprint" to guide future decisions by governments and the private sector. In a speech delivered to the Vancouver Board of Trade in April, the Minister identified a number of transportation challenges that the proposed blueprint will have to address, including:

- globalization and Canada's competitive position
- innovation and skills in the transportation sector
- integration of transportation modes
- urbanization and its effect on transportation infrastructure
- environment and sustainability
- safety and security
- accessibility

One of the major studies that will be used to develop the blueprint is the recently-released report of the Canada Transportation Act Review Panel. Other sources of input will include the Transportation Table on Climate Change and the outcomes of the June 2000 Millennium Transportation Conference.

Consultations on the blueprint will begin with a series of Ministerial round tables later this summer. A variety of stakeholders will be consulted, including carriers, shippers, service providers, academics, and provincial, local and territorial governments.

Here is the link to the Minister's speech:
http://www.tc.gc.ca/en/mediaroom/speeches/2001/20010411blueprint.htm

For those interested in the framework for the blueprint, the link is as follows:
http://www.tc.gc.ca/en/blueprint/background.htm

Interpreting the Rules on Documentary Credits

The ICC (International Chamber of Commerce) has just published a collection of opinions on its rules governing letters of credit and other essential instruments used in international trade finance. The opinions provide essential guidance on the rules' interpretation.

More than 300 queries and the responses of the ICC Banking Commission over seven years, fully indexed, organized and cross-referenced, are gathered in ICC Publishing's hard-backed volume: ICC Banking Commission, Collected Opinions 1995-2001.

All rules require interpretation, especially if the subject matter is as complex as international trade finance. ICC Banking Commission opinions give the official analysis of how the ICC rules work in daily practice. They are often cited in courts of law.

The opinions cover the current edition of ICC's UCP 500, Uniform Rules for Collections, and Uniform Rules for Demand Guarantees. They also take in the last opinions issued on UCP 400 before these were superseded.

As a key reference source, the opinions encourage uniformity of UCP practice and help to settle disputes that could otherwise end up in the courts.

If an opinion has been cancelled out by a later one, this is indicated in the text. All are clearly dated and grouped and numbered in the sequence of the UCP articles to which they apply. Collected Opinions includes an index containing more than 200 key words (like Air waybill, bill of lading, drafts, expiry date, intended vessel, on board notation, port of loading) linked directly to the relevant opinion.

Collected Opinions may be purchased online from the ICC Business Bookstore, from ICC Publishing and from ICC national committees throughout the world.

1. Kuehne & Nagel strengthens its position in Egypt

Schindellegi / Cairo, July 3, 2002 – Kuehne & Nagel has extended its ownership stake in Orient Transport Co. Ltd. Cairo (OTC), its joint venture company in Egypt, by purchasing the other 50 per cent of OTC, previously held by International Associated Cargo Carrier SAE. The now wholly owned subsidiary in Egypt operates under the name Kuehne & Nagel Ltd.

In 1984 Kuehne & Nagel entered into a joint venture with International Associated Cargo Carrier SAE, a shipping and forwarding company based in Cairo. Since that time the jointly founded company OTC has made good progress and is well positioned in the international freight forwarding and domestic logistics market.

"Due to the ideal combination of local know-how and the advantages of the global Kuehne & Nagel network, the joint venture business has been very successful", says Werner Kleymann, Regional Director for Middle East. "We are very pleased about this move, which confirms both, Kuehne & Nagel's commitment to this market and its intention to further extend the activities in Egypt and the region wide operations."

The scope of services offered by Kuehne & Nagel in Egypt encompasses sea, air, and project forwarding, overland haulage, fairs & exhibition logistics, customs clearance and transport insurance. In order to strengthen its ability to provide logistics a service from a single source, Kuehne & Nagel Ltd. is focused on expanding the contract logistics business.

"Our domestic and international customers will benefit from the logistics capabilities and advanced information technologies the Kuehne & Nagel organisation is offering", says Bernd Krause, Managing Director of Kuehne & Nagel in Egypt. Being fully linked to the Kuehne & Nagel global logistics network enables us to further broaden our product portfolio and to optimise processes."

2. FedEx overhauls brokerage & forwarder subsidiary

FEDEX Trade Networks (FTN), a customs brokerage and forwarding subsidiary of FedEx Corp., is to be revamped: its corporate organization is to be restructured under a new set-up; its name will be given new branding; and it will introduce new international shipping tools.

The changes, designed to leverage on the FedEx brand, will also provide better access and convenience to customers, the US express carrier said in announcing the restructuring.
Tower Group International Canada, an FTN subsidiary, will change its name to FedEx Trade Networks Transport & Brokerage (Canada) Inc.

FTN will create a new subsidiary, FedEx Trade Networks Trade Services, which will incorporate the duty and tax data services of current subsidiary, Worldtariff. It will offer new international consulting services, and introduce a new set of integrated international shipping resources known as Global Trade Tools.

International Shipping Tools for Large Customers Global Trade Tools is a set of applications designed to streamline, automate, and simplify the international shipping process for large customers who require the special capabilities of FTN.

FTN has also acquired the express customs clearance operations of Fritz Companies in Memphis, Tennessee; Oakland, California; Anchorage, Alaska; and Springfield, Missouri.

The new operations are intended to support the international services of FedEx Express.

The company has introduced two new services this year, FedEx Trade Networks Ocean-Ground Distribution and FedEx Trade Networks Air-Ground Distribution, which offer ocean and air transportation from Asia and Europe to multiple points within the US. This is combined with services offered by other FedEx operating companies, including FedEx Freight, FedEx Ground and FedEx Express.

FedEx Trade Networks will now offer services through its new Transport & Brokerage and Trade Services units as well as Caribbean Transportation Services, the largest heavyweight airfreight forwarder between the US and Puerto Rico.

3. Exel maintains positive 2002 trading outlook

EXEL, the UK logistics group, has reconfirmed that it expects to meet full year market expectations for "good profit growth" this year, and that it made progress between January and May.

Exel said that in the first five months of the year it secured new business across all industry sectors.

The rate of renewals has also remained strong and the group continues to enjoy healthy and new business developments so that the medium term growth expectations remain positive, it added.

(Continued on page 16)

Canadian Transportation Agency Publishes 2001 Annual Report

On June 14, 02 Transport Minister David Collenette tabled in the House of Commons the Canadian Transportation Agency's Annual Report for the year 2001. The report describes the Agency's activities in 2001, including its significant decisions.

In 2001, as part of its efforts to ensure that all forms of transportation are accessible to people with disabilities, the Agency prepared a series of regulatory amendments, guidelines, a code of practice and various publications. The Agency continued to offer mediation services which made it simpler for parties to resolve transportation-related disputes outside the regulatory process. As well, it supported the important work of the Office of the Air Travel Complaints Commissioner, whose mandate is to try to settle disputes between consumers and air carriers.

Finally, the report assesses the operation of the Canada Transportation Act and any difficulties the Agency encountered in its administration of the Act in 2001. "The Canadian Transportation Agency provides fair, flexible and effective adjudication and other services to transportation carriers, other client groups and the Canadian public," explained Marian L. Robson, Chairman of the Agency. "We have been - and remain - open to the views of persons with an interest in the transportation industry and will continue to play an essential role in the constant evolution of the Canadian transportation sector."

The Canadian Transportation Agency is a quasi-judicial tribunal which administers the Government of Canada's legislation and policies for maintaining an economic, efficient and accessible system of transportation within Canada. To obtain a copy of this report or other Agency publications, or to find out more about the Canadian Transportation Agency, visit its Web site at: www.cta.gc.ca.

Freight Rate Increase of 5.5% is Recommended by Freight Carriers Association

The FCA represents over 90 general freight carriers operating throughout Canada in matters related to economics, pricing, finances, costing, as well as motor carrier statistics. FCA has been serving the trucking industry for more than 30 years. The TAC is composed of executives elected by membership to monitor the industry's financial condition and performance and to make recommendations.

Add skyrocketing security and insurance costs to the list of operating cost increases piling up on the trucking industry and it becomes evident that immediate revenue relief is essential. The trucking industry that was already faced with major price hikes for new equipment, e-commerce investments, as well as labour and fringe costs, now faces ballooning insurance and security costs. The higher incidence of cargo thefts together with the events of September 11, 2001 have provoked a sharp rise in the cost of insurance and necessitated the continued enhancement of security measures. The industry has also experienced a sharp increase in bad debts due to more and bigger bankruptcies in major activity sectors it is dependent upon. A rate increase to offset these cost increases is essential so the industry can continue to provide reliable and efficient service.

The Tariff Advisory Committee (TAC) of the Freight Carriers Association (FCA) meets quarterly and monitors economic conditions as well as the latest statistics on the profitability of general freight carriers. TAC reviews major issues affecting the industry's profitability and its ability to maintain and improve service. The Committee recently reviewed the results of cost studies conducted by FCA which indicated major cost increases detailed below. After a thorough review of the information and in light of current market conditions, the Committee felt that the industry must increase rates to offset the cost increases in order to maintain the current level of profitability. The committee therefore recommends a general increase in freight rates of 5.5% to become effective Monday, August 5, 2002.

Insurance and Security – The events of September 11, 2001 combined with the shrinking number of providers in the

(Continued on page 20)

Internet Connectivity Software To CCRA Takes A Byte Out Of Costs...

Logistics Software Corp. of Toronto, Ontario, developers of this technology is providing Freight Forwarders, Importers, Exporters, and Customs Brokers with the capability to securely exchange encrypted ACROSS, CADEX and RNS data directly with CCRA via the Internet. The Customs Internet Gateway Exchange (CIGE) software application is a viable alternative to costly dedicated phone lines and third party intervention by service providers. It is quickly proving to be the wave of the future, after all, the Internet is going nowhere but up with more than 82% of Canadian businesses already on-line, 53% of which are participating in some form of e-business, according to reports issued by Statistics Canada. Certified by CCRA, the CIGE software application runs quietly and efficiently on your computer giving full control of all transmissions that transpire solely between you and CCRA.

The Windows based application has all the tools necessary to ensure that transmissions have been successfully exchanged with CCRA. Integrated features such as CIGE's Virtual Operator will automatically email a specific user, based on the configuration, events that transpire.

Comments Michael Muir, President of Logistics Software Corp.: "Organizations are aware of today's ever growing and competitive marketplace. Anytime there are measures available, whether technological or by altering business practices, that can help reduce operating costs and contribute to the bottom line, it is a favorable method for winning new business". He further explains that, "Our clients are realizing overwhelming savings in the first and second year with an impressive percentage of return on investments occurring within these time frames. Its always reassuring to know that as their business increases, their operating costs when using our software will never follow suit."

The application is capable of exchanging data with multiple trading partners and is already pre-configured for CCRA's test and production environments. Reporting and database capabilities further extend the functionality of this software application.

Logistics Software Corp's portfolio also consists of a Customs Clearance software package, "e-Import Studio", and a wireless RF Warehouse Management System, "Warehouse Explorer", with complete interoperability between all three products.

For more information visit:
www.logisticssoftware.com/cige.htm
or call Logistics Software Corp. at 905-843-7433.
Website: www.logisticssoftware.com

CIFFA Protests Scheduled Implementation Date For New Low Cargo Density Rules By October 2002

During the latest IATA Cargo Tariff Coordinating Conference (5/27-31, 02) an amendment to Cargo Resolution 502 was adopted that calls for changes in the density rule from 6000 cubic cm per kilogram to 5000 cubic cm per kilogram. The intended effective date is October 1, 2002.

The results of these adopted rules were finally published at the end of June, but only to members of the Cargo Tariff Coordinating Conference. It was thus late June when the forwarding industry finally begun to hear rumors of this new tariff rule and only received official confirmation from IATA on July 10!

While FIATA and CIFFA certainly accept the fact that IATA is entitled to amend resolutions, subject to Government approval, we take great exception to the time it took to bring this critical information to the marketplace as well as the haphazard way it was done in. No due regard was given to the users of air cargo who often have designed their shipping packaging to reflect the current weight/volume ratios and who are now faced with potentially stifling rate increases within a very short time line. It is hardly sufficient time to re-configure packaging designs and related challenges with annual summer shut downs in force now and the short time available thereafter until rule implementation.

FIATA has protested officially to IATA about the poor manner with which this issue was handled and the short time line allowed for implementation. We in turn urge our members to file similar protests to their preferred international carriers and the Canadian Transportation Agency. Directions for filing the complaint with the agency can be found at: http://www.cta.gc.ca/cta-otc2000/faqs/filing_e.html.

Let us reiterate: CIFFA does not object to the rule per se. It objects to the manner in which it has been done, i.e. with no rationalization or explanation and the short time line allowed for this incisive change. What we propose is the postponement of the introduction to mid 2003 to allow time for the shipping public to understand the impact and take appropriate action where necessary and to allow the freight forwarding agent to inform and consult its customer base within a more appropriate time frame.

Your Association will keep members updated through future e-bulletins.

Kuehne and Nagel, Generous Sponsor of Canadian/Swiss Artist - The Journey of Art Imitating Life

The interplay between "Tangible Reality & Ephemeral Illusion" describes the Bubblemachine, a multi-media exhibit by artist Ernest Daetwyler. His work was selected as one of the Swiss Canadian contributions for ArtCanal, at the Swiss National Exhibition, Expo 2, May 15 to October 20, 2002.

Did the artist know that this description of his artwork would take on a literal meaning and transcend into a business reality? With the help of the Swiss Canadian Chamber of Commerce, Ernest approached Kuehne & Nagel International Ltd. to assist in the transportation of the art to Switzerland. A long time member of the Chamber, Kuehne & Nagel International Ltd. was pleased to support the success of this Swiss-Canadian artist. The sponsorship also takes on special significance for the company, as the head office of Kuehne & Nagel International Ltd. is located in Schindellegi, a small town outside of Zurich.

Mr. Brinkmann, President and CEO of Kuehne & Nagel International Ltd. provided further insight into the discussion of art imitating life, "Considering the globalization of business that is so much of what we do, it is with interest that we see the international exchange of artwork between our two countries".

The justification of the Exhibition as quoted by Martin Heller, artistic director of the exhibition, is underscored by the same theme, "the far-reaching technological, scientific and economic developments of recent decades call for reflection on the situation of our society…" Heller goes on further to explain that "The Swiss National Exhibition will be interesting if it is topical – i.e. If it succeeds in addressing the needs, desires and situations of our time. It is the hope that in art imitating life, "the national exhibition will ask the right questions, try to create a dialogue between culture, economics and politics, and be enduring, meaningful and attractive".

The festival is being billed as "the Cultural Capital of Switzerland for 159 days". The National Exhibition occurs only once every generation; the last one was in Lausanne in 1964. Unique to the Expo, the event is not being held in a single location, but spread over a whole region, the Land of the Three Lakes. The festival is expected to draw 4.8 million guests and over 10 million admissions.

To the artist Ernest Daetwyler, your Bubblemachine has traveled by way of a business reality, in partnership with Kuehne & Nagel, to find a home that reflects well your interpretation of Tangible Reality & Ephemeral Illusion. In summary, "Art Imitating Life".

CIFFA to Challenge Workplace Safety & Insurance Board (WSIB) Assessments

For some time now, CIFFA has advised that member firms are increasingly being targeted by the WSIB for audits that result in rate group reclassification. At issue, typically, is the determination of whether a member firm is classified by the WSIB in the Rate Group 570 (Trucking at $5.61 per $100 payroll), or Rate Group 560 (Warehousing at $ 2.99 per $100 payroll), or Rate Group 958 (technical and business services at $0.30 per $100 payroll, which is voluntary). If your firm has not been audited yet by the WSIB, it is reasonable to anticipate that this will take place in the not too distant future.

From recently experienced WSIB audits of member firms, we understand that the WSIB steadfastly refuses to accept classification under Rate Group 958 regardless of whether or not a freight forwarder operates trucking or warehousing services. This on the grounds that the freight forwarder arranges for trucking or warehousing services on a regular basis and consequently falls under an insidious WSIB clause that allows taxation of intermediaries at the same rate as the actual carrier cum service provider (like warehousing).

The assessment/reclassification problem by the WSIB is rooted in the fact that our industry is not recognized by the WSIB as an industry separate and apart from General Trucking and/or Warehousing. This allows field inspectors a broad range of discretion in their assessments and, typically, audited firms are assessed at the Rate Group 560 or 570. This adds a huge payroll burden, in addition to legal fees, to our already margin challenged industry. In other words, for every 1m Dollars in payroll, the burden will increase from $3,000 to $30,000 (Group 560) or $56,000 (Group 570) depending on the new classification. In addition, it promotes an uneven playing field in competitiveness between member firms.

Your Board of Directors has concluded that an industry challenge ought to be undertaken by CIFFA. No initiatives have yet taken place to directly challenge the WSIB's policies which result in the classification of some freight forwarders within Rate Group 570 and others within the Rate Group 560, while appearing to abandon the previous assessments under Rate Group 958 for regular office employees and that rate group's significantly lower assessment costs.

We believe that an industry wide challenge of the current WSIB policies is needed, even though success cannot be guaranteed! We know that in some instances, the WSIB has been prepared, in accordance with its regulations, to recognize the proper segregation of business activities within an industry. In some instances, industry wide initiatives have resulted in new rate groups being formulated which more accurately reflect the industries' accident/cost experiences.

CIFFA continues to meet with various firms who are highly competent in the field of Employment and Labor Law and close consideration and evaluation will be undertaken before any decision is made, in order that CIFFA members are expertly represented.

CIFFA has consulted its members, and it is unanimous that the Association should progress forward in challenging the WSIB.

Keep posted to our website for further details.

CIFFA Central Region 2002
Forwarders Choice Award Presenters and Winners

A Fabulous Affair

The Canadian International Freight Forwarders Association (Central Region) hosted the third annual Forwarder's Choice Awards on May 30, 2002 at the Mississauga Convention Centre. The event was attended by 545 people the largest attendance for an Awards dinner in the history of CIFFA! The Masters of Ceremonies for the evening were Steve Valentine, President of Cargo Alliance Ltd., and Rino Muzzin, a partner in Palmer-Muzzin Inc.

The wine was provided by Ecu Line Canada Inc., Gillship Navigation and LCL Navigation. SGS Canada Inc. sponsored the mariner bells on the table and Marsh Canada Limited completed the beautiful center-pieces with the flowers. The Carrier of the Year awards were sponsored by Canadian Sailings and Canadian Transportation and Logistics. "Benny & The Jets" provided the evening's entertainment. Ciffa Central would also like to thank Jodie Wilson, LCL Navigation; Eileen Warren, Welke Global Logistics and Wendy Trudeau, Exel Global Logistics for their help with registration and working with the Convention Centre to make the evening the huge success it was.

CIFFA would sincerely like to thank each of the sponsors of the AGM Golf Tournament and the AGM Gala FCA Dinner for their exceptional support. Without their support these events would not have been the resounding success they were.

Gold	Silver	Bronze
Port of Montreal	Bowair & Sea Services Ltd.	Adams Cargo Ltd.
Air Canada Cargo	Cathay Pacific	A.N. Deringer Inc.
British Airways World Cargo	Cole Freight Inc.	AON Reed Stenhouse Inc.
Canadian Sailings	David Kirsch Forwarders Ltd.	Cargo Alliance Ltd.
Canadian Transportation & Logistics	KLM Cargo	Cargosmart
Ecu-Line Canada Inc.	Magnacargo	Carson International
Gillship Navigation	Panalpina Inc.	ITN Logistics Group
LCL Navigation Ltd.		Montship/Columbus
Marsh Canada Limited		OEC Overseas Express Consolidators
SGS Canada Inc.		OOCL Canada Inc.
		Palmer Muzzin
		Topax Packaging Systems
		Tower Group International Canada Inc.
		TSI Terminal Systems Inc.

Awards presentation

Trade Lane	*Presenter*	*Winner*
Africa Ocean	Annette Bowen – Bowair & Sea Services Ltd.	Lykes Lines– Stella Bazios
Africa Air	Pat Cullen – Rodair International Ltd.	British Airways World Cargo – Brian Russell
Caribbean Ocean	Ken Singh – Altas International Freight Forwarding	Kent/Tropical Shipping - Jim Scott
Caribbean Air	Peter Teixeira – Hellmann Worldwide Logistics	American Airlines - Steve Highfield
Latin America Ocean	Don Lucky – Cole Freight Inc.	CSAV – Ron Duff
Latin America Air	Anders Fisker – FCI Fisker Cargo	Lan Chile – Rhonda Porter
Middle East Ocean	Joe Kueppers – J.H. Bachmann Canada Inc.	MSC – Ian Christie
Middle East Air	Ian Kennedy – ITN Logistics Group	British Airways World Cargo – Brian Russell
South West Pacific Ocean	Werner Herding – Panalpina Inc.	FESCO – Ron Duff
South West Pacific Air	Marc Bibeau – OEC Overseas Express Consolidators	Korean Airlines - Yoon Kyungmoon
Far East Ocean	Tony Young – LCL Navigation Ltd.	OOCL (Canada) Inc. – Alex Skeoch
Far East Air	Peter Schwerdt – GeoLogistics Co.	Korean Airlines – Yoon Kyungmoon
Europe Ocean	Paul Lobas – Ciffa President , ITN Logistics Group	Atlantic Container Line – Steve Saravo
Europe Air	Donna Letterio – Danzas AEI Intercontinental	KLM Cargo – Garry Howson
Mediterranean Ocean	George Kuhn - Ciffa Executive Director	Zim Israel Navigation Company (Canada) – Bill Hamilton
Mediterranean Air	Peter Welke – Welke Global Logistics	KLM Cargo – Garry Howson

Carrier of the Year Award

Carrier of the Year Ocean

Normand Fillion – Port of Montreal & Joyce Hammock - Canadian Sailings
Winner – Zim Israel Navigation Company (Canada) - Bill Hamilton

Carrier of the Year Air

Bruno Meli- IATA & Kevin Sharp Canadian Transportation & Logistics
Winner –KLM Cargo - Garry Howson

Central Region Golf Tournament

Date: Wednesday, September 18, 2002

Location: Kleinburg Golf Club
115 RR#1 Puttinggreen Cres. Kleinburg, Ont. L0J 1C0
Main intersection - Hwy 27 North and West on Nashville Rd.

Times: 10:30 a.m. start (Teams will be notified closer to date)
Costs to be advised via e-bulletin.

Contacts: Bob Burns, Carson International, Tel. 905-673-1999
Jodie Wilson, LCL Navigation , Tel. 416-733-3733

Montreal Region's Soccer Team Wins!

In conditions too wet for even a fish to feel comfortable, two opposing soccer teams played for bragging rights in the 15th annual CIFFA - Steamship soccer game. Driving rain made playing soccer a real challenge but the 25 men and women who made up the 2 teams certainly made a game out of it once they discovered that you can't get any wetter than wet. The courageous few spectators who braved the weather watched the CIFFA team come away with an 8-3 victory, which immediately ignited calls by the Steamship team for a 'revenge' match later this summer.

After the game, both teams headed on to a nearby brasserie for a well-deserved meal and the usual liquid refreshments, generously sponsored by CIFFA. Other sponsors included ECU-Line Canada and CVS Inc.

On behalf of the players a big THANK YOU to all sponsors and supporters.

(Continued from page 10)

4. CP Ships receives first in series of new vessels

CP SHIPS Limited, the Canadian group of carriers, has taken delivery of the 3,200-TEU Lykes Ranger, the first in a series of a US$800 million ship replacement programme that began in 2000.

The Lykes Ranger entered service in June, the company said, and it has been deployed in the Asia-Americas trade lane, where CP Ships has two twice-weekly services under Lykes Lines and TMM Lines.

The vessel replaces the 3,000-TEU Hyundai Pioneer, that had been deployed on a short-term charter basis.

The Lykes Ranger was completed on schedule by Taiwan's China Shipbuilding Corporation in Kaohsiung, and the yard is also to deliver four sister ships. All are for deployment in the Asia-Americas trade lane by early 2003. CP Ships' ship replacement programme remains on schedule, the company said.

By the middle of 2003 an additional nine new ships, one second-hand ship, and six long-term charters are scheduled for delivery. This will increase the owned and long-term committed fleet to more than 70 per cent of total capacity from about 30 per cent when the programme started in 2000.

By owning a higher proportion of its ship fleet, CP Ships believes that it would reduce operating costs over the medium to long term and improve the availability of the right ships for its regional trade lanes at the right time.

The Lykes Ranger is ABS class society, has a length of 234 metres, a breadth of 32.2 metres, a deadweight of 40,146 tonnes, cranes 4 x 45 tonnes swl, main engine B&W 39,200 hp, a speed of 21.8 knots and is managed by Anglo Eastern Ship Management.

5. Maersk Logistics opens unit in New Zealand

MAERSK Logistics, a member of the Danish AP Moller conglomerate and transport group, has opened an office in Auckland, New Zealand; one of the main markets for Maersk in refrigerated goods.

The new office, Maersk Logistics said, forms part of the ongoing efforts to grow with and to provide seamless, tailor-made logistics solutions to its clients.

Maersk Logistics is already in 70 countries, employing over 4,300 people in over 200 offices.

"Our key task is to ensure that our clients get a service that is second to none," said Soren Brandt, CEO and managing director.

"We are determined to make a significant difference, and are certain that the combination of highly skilled and motivated people plus our advanced IT visibility tools and global network will make us succeed."

Maersk Logistics now has an opportunity to offer value-added services in the "cold chain" as well as its wide range of other logistics solutions.

6. ViaSafe offers e-B13 service to avoid AMPS Penalties

ViaSafe announces the release of the **myViaSafe** electronic B13 service for Canadian Freight Forwarders. This new service helps lower the exporters' risk of being assessed Administrative Monetary Penalty System (AMPS) penalties from the Canada Customs and Revenue Agency (CCRA).

PBB Global Logistics, an internationally recognized logistics leader with fully integrated services, including International Freight Forwarding along with Customs Brokerage, North American Shipping and Trade & Regulatory Services is currently using this service. "The B13 service gives us a fully electronic way to submit B13s to Statistics Canada. This service not only decreases the risk of our clients receiving an AMPS penalty but it streamlines our operations across Canada, and eliminates the need to complete the B13 by hand" stated Guy D'Addario, VP of Information Technology at PBB Global Logistics. "ViaSafe was instrumental in making the electronic transmissions to Statistics Canada and CCRA, as painless, as possible. ViaSafe's software and technical expertise is top notch".

AMPS is slated for implementation in October 2002. For export declarations, penalties C170 and C345 will be applied if the B13A is not submitted prior to export for goods destined for international destinations. These penalties can cost exporters thousands of dollars.

"CCRA has intensified its focus on border security and has raised the importance of export reporting. The exporting community must ensure they have an effective system to submit B13s to avoid AMPS penalties" stated Oryst Dydynsky, President of International Trade Services. "By using our electronic B13 service, PBB has a controlled, streamlined way to accomplish this providing extra security for their clients.''

The ViaSafe B13 service is a simple, fully automated solution to submit B13s to Statistics Canada. ViaSafe takes the B13 data in a fully automated manner from the freight forwarders system

(Continued on next page)

Press Release
(Continued from page 16)

and supplies it to Statistics Canada in their required CAED format. Freight forwarders will then receive an Export Report Number as proof of report.

*ViaSafe Inc. is a leading provider of e-global logistics services, offering secure connectivity solutions designed specifically to address the vast inefficiencies in the international trade document cycle. The **myViaSafe™** services facilitate secure transactions by enabling collaboration among importers, exporters, carriers, customs brokers and government departments. ViaSafe, endorsed by the Canadian Communications Security Establishment (CSE), offers the highest security in the electronic transactions delivery marketplace. ViaSafe currently facilitates over 40% of all import transactions into Canada. (www.viasafe.com)*

Air Cargo News
(Continued from page 7)

Asia/North America the fastest-growing air transport market. This will be followed by the East Asia/Europe market, which is predicted to rise annually by 5 per cent.

According to IATA's initial forecast, freight volumes this year will rise by 3.8 per cent over last year, and 5.5 per cent the following year. Comparatively speaking, freight volumes on the Europe/North America line will develop at the same level over the next few years.

Who's Minding the Cargo?

Reproduced from The Washington Post

For all the attention given to the screening and checking of air travelers and their baggage, dangerously little has been done about the cargo that most airlines carry alongside the luggage in the belly of a plane. As disclosed recently by Post reporter Greg Schneider, the Transportation Department's inspector general as well as Transportation Security Administration staffers and consultants have been warning in reports that air cargo systems include no routine scrutiny of packages and that there are gaps in the oversight of security procedures used by shippers.

One Transportation Security document, citing year-old intelligence reports, said there is a 35 percent to 65 percent likelihood that terrorists are planning to put a bomb in cargo on a passenger plane. Whatever the odds, there can be little question that any person or group intent on placing a bomb on an aircraft need not be limited to luggage. Cargo is more difficult to inspect closely, if not controlled first through shippers and then through freight forwarders who consolidate packages into containers. Breaking down containers for inspection is slow and disruptive for businesses relying on speedy deliveries.

Still, there are ways to increase security that can and should be required without prohibitive expense. Oversight, based on more extensive, up-to-date information about shippers and freight forwarders, should be put in place, as well as background checks and better identification of truckers and others who move cargo to the aircraft. Random screening of at least some meaningful percentage of all cargo, with the use of mobile screening units, would help.

Here, as in the passenger baggage business, inspection crews must be recruited and trained as quickly as possible. In either case, airtight security is not in the offing, but it ought to be pursued with all the resources possible.

US Bureau of Transportation Statistics Indicators Show Rebound in Airline Travel and Cargo

The U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) has released its monthly Transportation Indicators Report showing that air travel and air freight levels began to show a slight recovery in the early months of this year.

Although passenger and freight numbers for February domestic flights remained down from a year earlier, they did not fall as much as the same measures fell in January.

The measure for freight; revenue ton/miles i.e. 1 ton of freight transported 1 mile - was down 9 percent from February 2001 whilst revenue ton-miles were down 14 percent in January compared to a year earlier.

Dr. Ashish Sen, BTS Director, said, "Transportation Indicators offers a wide range of data that are updated monthly to track the transportation system's operations since Sept. 11. BTS will continue to monitor the nation's transportation system through this monthly report."
The BTS Transportation Indicators report is a monthly update of critical transportation information that details the impact of transportation on the nation's economy and society.

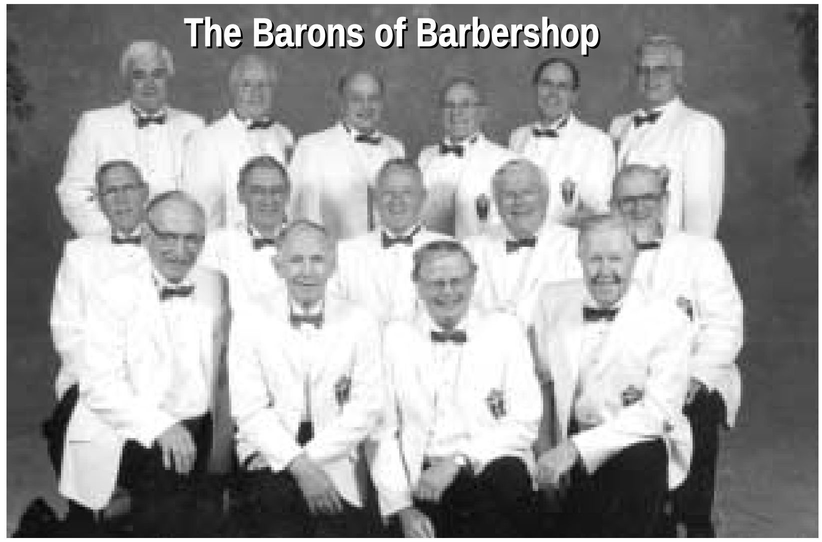
These numbers are based on reports filed with BTS by the nation's major, national, large regional and medium regional carriers. They do not include the small regional and commuter carriers.

(Continued on page 19)

CIFFA Strategic Plan Approved at 53rd AGM
(Continued from page 5)

Mr. Paul Lobas, President, tabled the Board's Strategic Plan. Mr. Lobas stated "Your Board of Directors believes that it is important to re-visit, from time to time, the key components of our "raison d'être", namely the value proposition to our membership.... These include:

(a) Education leading up to a Professional Designation,
(b) Membership Services, and
(c) Updating important issues affecting the Legal & Regulatory environment of our industry".



As there was no opposition from the floor, it was unanimously agreed that the Secretariat, together with the National Board of Directors, would move forward to implement the various strategies outlined in the Plan. The strategic plan can be accessed in the 'Members only' hangar at: http://www.ciffa.com/members (at which point you must sign in).

Complete Minutes of the 53rd Annual General Meeting may be found on our website in the "Members Only" hangar. If you do not have a password to enter the hangar, simply apply on line, and access will be available within 24 hours.

Clarification of Bill C-90 Requirements to Members in Quebec

Bill C-90 was developed in Quebec to encourage companies to provide education and training to their staff. According to the Quebec government agency, Emploi Quebec, which oversees this endeavour: "The Act to foster the development of Manpower Training, which was passed in 1995, is intended to improve the qualifications, skills and performance of workers through continuing education. Employers whose total payroll is $250,000 or more must invest at least 1% of the total payroll in employee training."

Accordingly, any conferences, symposiums, congresses, education, or training courses put on by an Association or on behalf of the Association meet the requirements of Emploi Quebec for "training" purposes. Also, the salaries of the employees attending the aforementioned "training", qualify as well. Please note that golf tournaments, cocktail receptions, banquets, dances, etc. are not considered "training".

Because CIFFA is an Association, any relevant education and training courses we give our Members, or contract a third party to conduct to our Members on our behalf, qualify against the Members 1% payroll requirement. Therefore, any tuition fees paid for CIFFA education and training courses are eligible, as are the salaries of the employees during their attendance in the CIFFA education or training course. This includes the CIFFA Air and Ocean Dangerous Goods courses, and the CIFFA Professional Education Program (conducted through Concordia University).

Recently, there has been some confusion from a few of our Members in Quebec regarding the eligibility of CIFFA education and training courses. To clarify, be assured that CIFFA's education and training courses are eligible, and we have had this confirmed on several occasions by Emploi Quebec.

A few Member offices in Quebec have contacted CIFFA, telling us that a "Training Consultant" in the Montreal area told them the CIFFA courses do not qualify. CIFFA has formally asked Emploi Quebec to look into this matter, and correct the misunderstanding of the specific Consultant involved.

We strongly encourage our Members not to allow "Training Consultants" into their offices, and especially not to look at their books regarding expenditures on education and training.

Air Cargo News
(Continued from page 17)
US Bureau of Transportation....

Transportation Indicators provides information on more than 300 trends in the areas of safety, mobility, economic growth, the human and natural environment, and national security. The monthly report provides information to address specific transportation issues and to assist in the effort led by BTS to make transportation information more accurate, reliable and timely. Updated reports will be available on the BTS website at the end of every month.

Sept 1 Deadline Set for E-airway Bills in Malaysia

AIR FREIGHT forwarders have been given until September before MAS implements the electronic submission of neutral airway bills. Originally scheduled to be done in June for agents in Kuala Lumpur and the following month in Penang, the postponement was to allow firms more time to get used to the paperless system.

"We decided to launch it in September instead to make sure all our forwarding agents understand our requirements," MAS IT Relationship manager (cargo) David Chan You Chee said.

The launch will now take place on Sept 1 in Kuala Lumpur and Penang simultaneously. On that date, forwarding agents have to note that MAS will cease to issue hard copies of their airway bill stocks for international, domestic and courier vouchers to all its appointed agents in Kuala Lumpur and Penang.

Chan said the issuance of neutral airway bill numbers to forwarding agents would be carried out electronically through the Internet and Spectrum network. "The exception to this rule will only be given in the event of a system disruption or other valid reasons that are acceptable to MAS," he said.

"Our agents' registration must be approved by MASkargo, and it must also fall under the International Airway Transport Association (IATA) specification," he said. Of the 84 appointed agents in Kuala Lumpur, 72 have already been registered, while in Penang only 10 of the 42 appointed agents have been registered. For the immediate future, MASkargo is looking at expanding the electronic transactions of neutral airway bills throughout Malaysia after the KL and Penang launch. "We are looking at launching it in Johor, Sabah, and Sarawak in December, and after that to smaller stations in Alor Setar and Miri," he said. "This is our way of preparing MAS and other Malaysian companies to operate in an IT competitive market," he added.

CIFFA is Pleased To Announce Closer Cooperation With The CSCB

C.S.C.B.
CANADIAN SOCIETY OF CUSTOMS BROKERS

The Boards of Directors of the Canadian International Freight Forwarders Association (CIFFA) and the Canadian Society of Customs Brokers (CSCB) have agreed on a framework for closer cooperation between the two organizations.

The agreement will lay the groundwork for ongoing consultation on a wide range of issues in Canada, with special focus on the Customs Action Plan (Customs Self Assessment, Advance Commercial Information and the Administrative Monetary Penalty System). This framework for consultation will also include activities on the international stage, noting CIFFA's strong engagement with FIATA and the CSCB's role as the Secretariat of the IFCBA.

Each organization will bring its unique strengths to the table, and where there is a shared interest, will collaborate on advocacy activities.

This agreement also opens the door for each organization to explore ways of working together to best serve the education and information needs of its members.

(Continued from page 11)

trucking insurance market, the imminent threats of more terrorist acts, and ever increasing cargo theft have caused the trucking industry's insurance and security costs to skyrocket. Increased insurance premiums of 50% or more, combined with increased spending on all aspects of security have increased carriers' total cost by over 1% in some cases. Unlike some other modes of transportation, the trucking industry has not sought to offset these increased costs with a surcharge.

Labour/Non-labour – FCA estimates the labour cost increase to be 4.5%. The increased demands on the drivers in all areas including security and safety require that we maintain our dedicated professional workforce. In the fight against terrorism, the Trucking Security Working Group, a task force of transportation organizations in Canada and the U.S., has suggested that truck drivers receive additional training in spotting and reporting suspicious activities. Trucking companies have stepped-up their training to meet these new demands. The increase in non-labour costs is estimated at 2.6%. FCA monitors non-labour cost increases through the use of various Statistics Canada indices.

Equipment – The new U.S. EPA standards will significantly increase the cost of equipment as well as the cost of maintenance while it lowers fuel efficiency. Equipment upgrades are necessary however in order to meet the high-tech demands of the shipping public as well as to recruit and retain proficient drivers. The need for real time information has resulted in increased investment in technology both inside and outside of the tractor. The lower value of the Canadian dollar also increases the cost of equipment as much of the equipment and/or parts are manufactured in the U.S.

E-commerce – In order to satisfy customer demands and remain competitive trucking companies must continue to invest in technology. This includes investments in hardware, software, communications systems and the necessary training of personnel to implement these new systems.

Increase in bankruptcies and related liabilities – A 100% increase in bankruptcy liabilities reported by the Office of the Superintendent of Bankruptcy for 2001 v. 2000 has hit the 3 industry sectors most impacting trucking. Manufacturing, Wholesale and Retail Trade reported increases of 74% to 145% in the amount of liabilities related to these bankruptcies (See Exhibit 1). This results in more bad debts for the trucking sector. The transportation and storage sector has itself has seen an increase of over 200% in bankruptcy liabilities during the first quarter of 2002 (See Exhibit 2). History has shown there is a close correlation between sharp spikes in fuel prices and the number of bankruptcies in the Transportation & Storage where bankruptcies increase sharply on the heels of fuel crises, (See Exhibit 3). This trend would indicate another surge of bankruptcies may be on the horizon, stressing the importance of promptly recovering cost increases.

Market Conditions – The following market conditions, not included in their calculations, have also significantly increased costs for the trucking industry:

~ The continuing economic downturn;
~ Increased demand for appointment deliveries;
~ Increased waiting time.

Fuel Cost Increases (Excluded) - It is important to note that the cost increases discussed above exclude the impact of fuel cost increases. Experience has shown that the most efficient method of handling fuel cost increases is through the use of fuel surcharges that fluctuate along with fuel cost changes. The shipping public has recognized the need for the fuel surcharge currently in effect. For this reason the impact of fuel costs has been excluded from this rate increase recommendation.

Just for Laughs!

You and Your Boss: the subtle differences

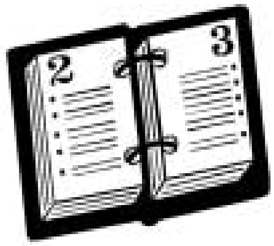
If you take a long time, **you're slow**, but if your boss takes a long time, **he's thorough**.

If you don't do it, **you're lazy**, but if your boss doesn't do it, **he's too busy**.

If you make a mistake, **you're an idiot**, but if your boss makes a mistake, **he's 'only human'**.

...... ***To be continued in next issue***.

Events



1. **FIATA World Congress Istanbul,** September 7 – 13, 2002. Details can be glimpsed from the following website: www.fiata2002.org.

2. **2nd UAE Trade Expo, Ethiopia,** 10th -13th October, 2002. This exhibition is being organized by Dubai Chamber of Commerce & Industry and Dubai Ports, Customs and Free Zone Corporation. For participating please call the Technical coordinator (New Fields Exhibitions) at (04) 268-6870 or email ethiopia@new-fields.com

3. **ALACAT XXI Congress,** October 8-10, 2002, Atlanta, Georgia, for details visit :
www.gigasight.com/alacat/newsletter1/index_eng.html

4. **Trade Corridor Conference,** October 27 – 29, 2002. The Trade Corridors Conference will be held at the White Oaks Conference Resort & Spa, October 27-29, 2002. The program can be accessed under the following website: www.tradecorridors.com.

Resumés

Should you be interested in any of the following job applicants, please contact the Secretariat for details via email to sandraf@ciffa.com.

1. Multilinguist in Lachine, QC looking for position with freight forwarder, has 4 years Canadian experience in export freight forwarding.

2. Torontonian looking for position in administration with over 10 years in the field.

3. Calgarian seeks position in transportation logistics. Has 8 years Russian experience.

4. Toronto area candidate seeks a position in customer service/administration, with over 12 years experience in the airline and travel industry.

5. Applicant in GTA looking for position within the industry with 9 years related experience, of which 2 years is Canadian.

Correspondence From at Home and Around the World

Agents

We have received correspondence from the places listed below, looking for agency relationships with member firms in Canada. Should you be interested to establish an agency relationship in any of these places, please contact the Secretariat for details via email to sandraf@ciffa.com

1. Goa, India
2. Lahore, Pakistan
3. Saudi Arabia
4. Casablanca, Morocco
5. Karachi, Pakistan
6. Karachi, Pakistan
7. Estonia
8. Chittagong, Bangladesh
9. Chittagong, Bangladesh
10. Stavropol Krai, Russia
11. Colombo, Sri Lanka
12. Pakistan
13. Alexandra, Egypt
14. New Delhi, India
15. Piraeus, Greece
16. Mashhad, Iran
17. Naples, Italy
18. Korea
19. Karachi, Pakistan
20. Mombasa, Kenya
21. Jakarta
22. South Korea
23. Vietnam
24. Tehran, Iran
25. Chittagong, Bangladesh
26. India
27. Bangladesh
28. Tianjin, China
29. Namibia, Africa
30. Egypt
31. U.A.E.
32. Oakland, CA – offers drayage & intermodal services
33. South Korea
34. Chittagong, Bangladesh
35. Dhaka, Bangladesh
36. Chennai, India

2002 - Air Dangerous Goods Training Schedule

Vancouver
October 15-18

Calgary
October 1-4

Toronto
September 10-13
November 5-8

Montreal
September 24-27
November 19-22

Edmonton, Winnipeg, Ottawa, Halifax

CIFFA needs your help in arranging Air DG training programs in these cities. Get together with your Forwarding colleagues, invite your Air DG shippers, and with a minimum of 10 people, we will schedule a training program for you. Contact us for more information.

Program Information

All the above programs INCLUDE an optional day for Radioactive Material. If you do NOT need training on Radioactive Material, do not attend the last day shown.
Person requiring Recurrent training (have previous Air DG training), do not attend the first day shown.

Program Fees

Initial with optional day for Radioactive Material
4 days - $695.50*

Initial without optional day for Radioactive Material
3 days - $535.00*

Recurrent with optional day for Radioactive Material
3 days - $535.00*

Recurrent without optional day for Radioactive Material
2 days - $374.50*

2002 IMO DG Training Program Schedule

City	Course	Dates
Vancouver	Basic (1 Day)	October 28
Edmonton	Basic (1 Day)	October 29
Calgary	Basic (1 Day)	FALL TBC
Winnipeg	Basic (1 Day)	October 30
Toronto	Basic (1 Day)	September 23 November 18
Toronto	Recurrent (1/2 Day)	September 24 (a.m.) September 24 (p.m.) November 19 (a.m.) November 19 (p.m.)
Toronto	Warehouse (1 Day)	November 20
Montreal	Basic (1 Day)	September 16 November 25
Montreal	Recurrent (1/2 Day)	September 17 (a.m.) September 17 (p.m.) November 26 (a.m.) November 26 (p.m.)
Montreal	Warehouse (1 Day)	September 18

Program Fees

Basic (1 Day):
CIFFA Member - $315.65*
Non-Member - $358.45*

Recurrent (1/2 Day):
CIFFA Member - $230.05*
Non-Member - $310.30*
Warehouse (1 Day):
CIFFA Member - $347.75*
Non-Member - $395.90*

*** Fees INCLUDE GST and a lunch.**
*** Group discounts are available. Please contact CIFFA for information.**

Refund Policy for Dangerous Goods Training Programs

Due to extensive and locked-in financial commitments by CIFFA, the following refund policy is in effect.

Cancellations received: • more than 4 weeks prior to program start = Full refund (minus a $50.00 admin fee)
• between 4 and 2 weeks prior to program start = 50% refund
• less than 2 weeks prior to program start = No refund