President’s Message

There is no doubt that a company’s competitiveness thrives basically on two capabilities:

- The management of a broad spectrum of competencies within a firm, with the objective of fully exploiting the capital of resources and knowledge. And....

- The management of change, with the objective of adapting better and faster than the competition, be that another nation or another firm.

The world today is open, online, and transparent. As a consequence, nations, firms and individuals have become more vulnerable. There is no place to hide anymore. The pace of change has accelerated and the world is in constant evolution. Thus the rules of competitiveness are changing all the time...

Hence, more than ever, competitiveness thrives on the ability to manage a totality of competencies and to capitalize on the vast amount and diversity of skills available in a firm.

We believe that the competitiveness of people as part of a firm, or as individuals, is the most fundamental factor for creating wealth. The eagerness to succeed and the willingness to work hard are irreplaceable qualities to attain higher levels of competitiveness.

This then is the mantra we have embraced at CIFFA. We firmly believe that fostering people’s competitiveness through motivation, information and education is critical to bringing value added services to our members.

We continuously strive to do just that: We believe that our information flow has increased exponentially through our almost daily e-Bulletins, the publishing of ‘The Forwarders Magazine’ and other mailings on certain occasions. We also believe that having introduced Workshop Programs to our regular education components has further helped to narrow knowledge gaps with member and customer employees. We believe that having developed an Internet delivered IMO Dangerous Goods Program has added flexibility, mobility and motivation to taking this course.

In short, motivation through education and an ever-increasing knowledge base is critical to productivity and competitiveness. It also affords people a much better understanding of the critical role they play in the ever more complex world of

(Continued on page 2)
international trade, and what an important part our industry plays in it!

But not able to rest on our laurels, we want to do more. We want to enhance further the Association’s relevancy to our members. We want to take the interest of the membership to heart by continuously improving our services.

So there is always room to improve our Education contents and delivery systems through additional net-delivered programs and the continuous updating of our Education materials to stay abreast of the rapid changes we all experience on an ongoing basis. For example, we are just in the finishing stages of adding an IMO DG program for shippers and a DG General Awareness program for all member employees.

To close the loop, so to speak, this leaves us with the Air mode of transport and there we are in the midst of negotiations with IATA to transfer our ‘accredited status’ to this medium.

The exciting development is that we are taking our General Education Program to the Internet. Much internal work has already been done and we are moving ahead with this initiative. The Board of Directors has unanimously approved the huge expenditure previously budgeted. A supplier has been selected. Program development is now under way! As confirmed by FIATA, this would put us at the forefront of e-Learning in the arena of international transport training.

As implied earlier, however, competitiveness is not just a company issue. It is all-encompassing and fully interrelated with a nation’s ability to cope with international competitiveness and productivity.

So it is important that CIFFA - “The Voice of Freight Forwarding” - is heard in the public sector at legislative and regulatory levels. It is important that rules and regulations developed by the Public Sector are created in dialogue with the private sector to avoid regulatory stumbling blocks that unnecessarily impede the free flow of goods, and hence our nation’s ability to be competitive!

We want to be a voice that is heard and to do so we want to enhance CIFFA’s purpose to:

- Establish standards for the freight forwarding industry in Canada
- Drive Quality, Integrity and Professionalism throughout the membership
- Provide members with the opportunity for a higher profile
- Initiate dialogue with Carriers, Governments and NGOs on behalf of the membership
- Provide a forum for members to discuss issues of the day

‘Know-how is not something abstract, it is accumulated through practical work and learning’. Hence our commitment to the aforementioned points!

We must also develop the skill to think in alternatives, since in this increasingly complex world, there is often no one valid solution to problems and challenges. There are many solutions and they are all valid. We must become open to alternative possibilities and we must be flexible in implementing solutions. We must learn to weigh our options. A corollary to this is that there are really no ‘unique problems’. Others are confronted with similar problems, and they have developed various solutions. We must be willing to share our common concerns, and develop mutually supportive solutions.

So what we need, I believe, is a creative integration between business and education - a partnership built on mutual respect, a positive value system, common goals and equally borne responsibilities. And it is therein that I see the membership value of our Association and our efforts to expand education. Through this combination we can fulfill our member’s needs for better-educated and better-qualified people and give our members that value added component to stay competitive in the years to come...

Yours truly,

CIFFA appoints Michael Zozula as the new Executive Director

On September 5, 2006 Michael Zozula has taken over the reins as Executive Director of CIFFA.

Michael, born in Salzburg/Austria, came to Canada with his family as a child, building foundations in Montreal, Ottawa and Toronto. He communicates fluently in four languages.

Whilst his past 10 years have been devoted to creating and expanding start-up business ventures in Canada and the USA, ranging from innovative hi-tech food processing operations to merger & acquisition activity focussed on small to medium sized enterprises, Michael also comes with an excellent pedigree of education and transportation backgrounds.

He is a graduate of the Executive MBA program at the University of Toronto with a B.Comm. Economics major from Loyola College in Montreal. His professional background encompasses a long and illustrious career with Air Canada where he last held the position of Corporate General Manager - Cargo. He has also worked in senior executive positions with Canada Post and CN Railways.

Hence it is only natural to expect that Michael’s broad business experience will bring new energy, dimension and vitality to the Association. His credentials are a natural fit for his new responsibilities with CIFFA. There is no doubt that his leadership skills and expertise on a global basis will generate a value-added contribution to the Association. Michael’s mantra is to create, build and succeed!

No doubt, there are still formidable challenges ahead for the Association to ensure member services that include governance components, ongoing professional education, pro-active information exchange and representation to governments and NGO’s on issues of logistics and trade facilitation.

Hence, CIFFA is delighted to have such an exceptional individual steering the Association towards a future that is both exciting and promising. It is good to see Michael back in the fold of international transport and logistics!

Welcome aboard Mike!!
C-TPAT: EDC’s Security Compliance Loan Program by courtesy of EDC

Why C-TPAT matters
C-TPAT is a joint U.S. Government-business initiative to build co-operative relationships that strengthen overall supply chain and border security. Essentially, through C-TPAT, U.S. Customs and Border Protection (CBP) is asking businesses to ensure the integrity of their security practices and communicate their guidelines to their business partners within the supply chain.

Although it is a voluntary program, there are indications that large buyers in the United States are beginning to insist that suppliers, including Canadian exporters, participate in the C-TPAT program. Additionally, the transportation sector is beginning to provide preferential pricing to Canadian exporters who have invested in the C-TPAT program.

Perfecta Plywood’s experience
Perfecta Plywood Inc. of Saint Hyacinthe, Quebec has already become C-TPAT compliant. François Dugas, President of Perfecta, notes that with 40 per cent of his goods moving across the American border, high-tech security is just one of his new business realities.

“We work in a ‘just-in-time’ inventory world,” says Dugas, “and our company’s reputation has been built on respecting delivery expectations. We also recognized that C-TPAT is more than just a security issue; it’s an essential marketing tool that we can use to keep and attract new business because our customers will know that we have taken steps to guarantee our delivery.”

Perfecta also worked with its supply chain to ensure that its suppliers had security measures in place. “We have more than 50 major suppliers and we import our raw products from China, Africa and Brazil. We asked each supplier to fill in forms to ensure that they could meet the requirements under C-TPAT and that their suppliers, in turn, had security measures in place.”

“C-TPAT compatibility is similar to ISO in that it’s not just a one-time investment, it’s a continuous process. You have to constantly be on top of it, refining your processes, retraining your people, ensuring your suppliers and your suppliers’ suppliers are security-conscious because ultimately, if something goes wrong, it is your responsibility.” One payoff is faster U.S. border crossings where Dugas says his truck drivers barely touch the brake pedal.

The cost of compliance
There’s a price tag attached to becoming C-TPAT compliant; companies must meet certain physical, personnel and procedural security requirements. Dugas estimates that for Perfecta, the process cost about $250,000, and notes that compliance entails an ongoing commitment to security standards.

Coming up with the cash to pay for the necessary security upgrades is the number one issue that companies face, says logistics industry expert Bob Armstrong, Chairman of the Canadian Council for the Americas, Vice-Chairman of the Brazil-Canada Chamber of Commerce and newly-minted President of Atlas Trade Corp. Inc. “Integrating security processes and measures into your processes is not cheap. And then you have to worry about your supply chain. Someone on your team has to become the security expert and ensure that security remains top of mind.”

EDC helps with compliance expenses
To help companies deal with these additional expenses, EDC has developed a new Security Compliance Loan program under which Canadian companies can apply for a three-year loan of up to $150,000. Up to $5,000 of that loan can be used to pay for upfront advisory fees to complete, for example, the paperwork to become C-TPAT compliant. To qualify for the loan program, Canadian companies must be the Importer of Record into the United States and have been in business for at least three years.

Mike Neals, EDC’s Vice-President of Marketing, said the need for this product was highlighted by exporters during an EDC survey of their needs in the fall of 2005. More than one-third of those surveyed cited border delays as an emerging issue. “Further research with logistics companies validated our survey results,” says Neals. “We found that there were a growing number of Canadian companies that faced the possibility of long delays at the border because they were not compliant with these measures. Many of the exporters cited cost as a reason for not applying for certification.”

Armstrong points out that this new loan program developed by EDC will be instrumental in helping companies make the leap. “This is a ‘just-in-time’ solution for a ‘just-in-time’ problem. Giving companies access to the cash they need to make the necessary upgrades will encourage them to take a more proactive approach, rather than feel like they are being pushed into something they can’t afford. This is a global force that can’t be stopped; companies will be forced to prove their security savvy or face the prospect of losing customers.”

Enhanced security is here to stay
“We’ve always been a forward-looking company and recognized that this is just the beginning,” Dugas affirms. “I fully expect the trend to be global.”

Armstrong says this is a bigger concern for small companies who traditionally depend on their logistics company to provide the needed security. “With C-TPAT, security issues have come back home and companies have to start thinking about doing things such as employee and supplier background checks, enhanced security at the front desk and at the loading dock. Gone are the days when employees could slip out a side door for a break. That door now needs to be secure with tight controls over who has access to which areas of the business.”

Armstrong has guided about 25 companies through the C-TPAT process and although it requires a great deal of paperwork, preparation and thought, there are unexpected benefits such as companies reporting a significant decrease in thefts, particularly on the shop floor.

Dugas agrees that paperwork – and lots of it – is just part of the game. “You also have to understand that this is a new program and so the rules are constantly changing. You have to keep on top of those changes to ensure that you continue to meet the requirements. That’s a lot of extra work, but in the end it’s worth it if it means you can guarantee delivery to your customers.”

For more information on EDC’s new Security Compliance Loan program to help Canadian companies become C-TPAT compliant, call 1-866-248-4280 or visit www.edc.ca/ctpattc.
Help - we’re drowning in paper!
On the issue of paperless
Air Cargo transactions

In mid September 06, TIACA held its yearly Congress in Calgary/Alberta. The Congress was a huge success and drew several thousand people to the event. And whilst there was a plethora of subjects and panels presented, we want to highlight the one that is of great relevance to the Freight Forwarding industry: Namely that of a ‘paperless world in air cargo’. IATA has spearheaded various attempts in the past, but so far little, if any, progress has been made. Naturally, the issues are invariably challenging from a legal perspective, partly highly complex and, ultimately, require ratification by more than one country to get off the ground.

So, when embarking on such a huge project looking at the issue from a 30,000 foot level, all is logical and doable. However, when taken ‘back to earth’, so to speak, one realizes that the devil is in the detail, rather than in the overall logic of the concept! And this is why many a project ultimately fails!

Just such a cautionary note was voiced by William (Bill) Gottlieb, a member of our National Board and President of David Kirsch Forwarders, Montreal, as a member of this panel. His power point presentation is posted on our website (www.cifia.com) under ‘Airfreight Issues’ and below we try to recap his verbal presentation...

...‘Help - we’re drowning in paper’, is the subject of this session. And as freight forwarders it is true we are awash in documents, but if we were really drowning, the forwarding profession would have been dead long ago! In fact forwarders are swimming along quite nicely in this sea of data - as the more we have - the more business we do. The more information requirements the global supply chain has - the more demands evolve for our services.

Forwarders avoid drowning in both paper - or in red ink - by meeting the challenges of today’s international marketplace - while both serving and satisfying our customer’s needs.

In terms of paper - the key is to take this data - the documents and the paper that flow alongside international transport - and tweak the supply chain where feasible to be as efficient and economical as possible for all stakeholders.

Today we are asked to comment on the IATA e-freight Strategy... is it a catalyst to effect revolutionary change in the air transport industry? ... can it achieve its primary objective “to eliminate the need to transport paper documents for air cargo”? So the question begs: ‘Is it realistic to believe that IATA’s ambitious e-freight project as currently structured will, unlike other IATA paperless endeavours of the past, succeed?

The claims IATA has attached to the project certainly grab headlines, but will they grab the hearts, minds and wallets of stakeholders in the global air cargo supply chain?

Claim #1:
That the air cargo industry fills 39 Boeing 747 freighters - each year with paper wasted on documentation?

Not mentioned as boldly by IATA is what they refer to as paper waste in increments of a half dozen or a few dozen sheets at a time, packed inside an envelope that is stapled to the air waybill and cargo manifest representing crates, cartons, boxes and bales.

That so-called ‘wasted paper’ accompanies transported merchandise ranging in size from a single pound to several thousand kilograms. This is revenue producing cargo, the life blood of the air freight industry, and this ‘waste paper’ holds key commercial information - and becomes a dynamic creature while cargo is in transit - information is gleaned, added and shared - beginning with the buyers and shippers - then the forwarders - and in turn the carriers, insurers and customs brokers. As well as many governmental agencies, both at origin for export control, in transit for in bond security - and at destination for customs, agriculture, security, trade and statistics - and finally by the receivers.

Some of the data is important to all parties, such as packaging and commodity details or destination, while other information like color or size, detailed pricing - is relevant only to the traders of the goods.

But I do not believe that any of these parties would jump at the opportunity to go paperless - unless the cost savings to them were significant! Which brings us to the next IATA e-freight claim.

Claim #2:
Paperless cargo processing - could save the industry $1.2 billion each year?

What is not mentioned as succinctly is which stakeholders in the industry will save! What part of this assumed $ 1.2 billion pie will be to the benefit of stakeholders other than primary carriers? While the number is large, would the stakeholders in the supply chain consider the actual dollar amount saved relevant?

By the lack of enthusiasm outside the IATA bureaucracy and its Board of Governors, the initial perception is that various partners in the global supply chain do not see a strong business case in terms of cost savings to change current practices by endorsing paperless transactions.

Claim #3
IATA claims that e-freight is about reducing shipping time by 25%. IATA states a current 6-day in transit shipment average, but with e-freight it will reduce to just over 4 days. True, in the transport world we have always been caught up with the faster, quicker, speedier... as the ultimate objective.

But in the 30 plus years I have been in the forwarding business, one aspect has always surprised me, namely the amount of shipments that incur storage fees. Especially in air freight, where one pays a premium for speed.

However, when speaking to clients, you realize they want their cargo “when they need it”! Indeed, it could be that they needed it.

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Help - we're drowning in paper!
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yesterday, so you cross your fingers and hope you can deliver tomorrow, but then there are times they need the goods ‘only’ by Friday or next week or after the holiday.

There are many reasons for a consignee’s inability to accept prompt delivery of goods, and less and less it is a documentary issue, but more the simple fact that the importer does not require the cargo immediately, lacks the physical facility to accept it upon arrival, or may have a commercial dispute to settle. So consignments will sit and potentially incur storage charges.

Those who subscribe to ‘Just In Time’ logistics know that early delivery of goods is penalized similar to late delivery. Going paperless will not address these business considerations - which affect the length of time goods are in transit.

So why does e-freight have legs, and why are we talking about it today?

I have represented the forwarding community both nationally and internationally for many years as a member of the IATA/FIATA Consultative Committee and several other IATA working groups and bodies.

During that time I have witness a transformation in IATA from a non-profit “zero-sum” organization seeking partnership relationships and cooperation with the air cargo community for the common good of the community and its airline members.

There were regular consultations with senior IATA management - including the Director General. A phone call would lead to an informal meeting where one may agree to disagree, but only after a healthy discussion of issues and all left with a better understanding of industry perspectives. Witness the joint IATA/FIATA training programs,

Ss I said, witness the joint IATA/FIATA training programs: The joint industry standards, neutral air waybills, the cargo account settlement systems (CASS) that have been delivered to the industry as a direct result of this past cooperation.

Unfortunately today, I see IATA as still a non-profit air carrier association, but almost exclusively driven by Marketing & Commercial considerations, not service to the industry.

It has been publicly stated by IATA that the industry needed a strong global association to lead change, and in order to deliver, IATA replaced 60% of the staff and 75% of management. So it has lost many knowledgeable, dedicated and experienced employees that have been terminated for no reason – but change for the sake of change.

Its senior management have virtually insulated themselves from the broader cargo community while conjuring up projects, which will appeal to its member airlines by projecting massive savings, and improved efficiencies but at the expense of others!

Thus, taking the lead from the $5.3 billion in projected saving by passenger initiatives such as e-ticketing, bar coded boarding passes, check-in kiosks and RFID baggage management, the $1.2 billion in savings from taking the paper out of air freight is a perfect fit to the IATA Agenda.

So we have before us a strategy - a vision to revolutionize data in the air cargo industry - but its primary objective is focused to advantage only one segment of a multi-facetted environment. Hence in my humble opinion, the proposed IATA cargo e-freight format as it stands today, is doomed to fail like other, similar initiatives of the past.

So you may wonder why, considering my aforementioned observations, why would I bother to come to speak today.

The reason is simple, as a forwarder and a businessman I strongly believe in e-commerce, I believe in harnessing technology to provide a higher level of service to my clients and improve the efficiencies of my operations.

That is why some eight years ago I was in Miami, at the initial IATA paperless air waybill project meeting that promised millions of dollars of savings to industry, and I attended subsequent meetings and sought industry support in what was a first doomed attempt to better the industry.

It is remarkable, for example, that today forwarders cannot submit an air waybill to an air carrier on plain paper. However, these same forwarders can complete their bill of lading instructions on line, by fax or email to ocean, rail and truck carriers.

The air industry once looked upon as being the most advanced, today takes a back seat to other modes.

IATA must awaken to the reality of the cargo marketplace, and rethink e-freight, but this time in true partnership with the forwarding community that is present at both ends of the air carrier’s segment and the global supply chain.

Simply put, forwarders posses the intimate understanding, that the airlines lack, of the needs of the commercial traders they serve.

While a forwarder does not hold title to the cargo placed in its care, the forwarder is the temporary custodian of the goods. Hence the carrier is entrusted with the forwarder's cargo and it is the forwarder who is the customer of the air carrier.

How then do we begin?

Probably by taking a good chunk of IATA’s e-freight business plan... and put it on the shelf for now.

“It is time that IATA strategists get a serious reality check: To expect that standardized messaging or government dependent, customs driven programs will realize the primary e-freight objective “to eliminate the need to transport paper documents for air cargo” - is plain stupid.”

Steps toward achieving some measure of this objective will only be obtainable if the supply chain partners, the forwarders, customs
FIATA celebrates its 80th anniversary

This is quoted verbatim from a letter sent by FIATA to the ICC FIATA, the International Federation of Freight Forwarders’ Associations was founded in Vienna on May 31, 1926 as a freight forwarders’ trade organisation with the aim of safeguarding and promoting the industry’s common professional and economic interest worldwide. It is currently the largest non-governmental organisation in the field of transportation.

The initiative to found an international federation of freight forwarders’ associations came from leading officials of the central freight forwarder’s association in Vienna (Austria). The association’s president of the time, Gottlieb Kantor, mandated Ludwig Weiss, the then-managing director, to examine all the options for the speediest creation of a freight forwarders association. Weiss was also the owner, publisher and editor-in-chief of a well-known customs, forwarding and shipping newspaper published in Vienna.

His international contacts enabled a first delegates conference to be held in 1925, attended by fifteen delegations from twelve countries. The following year FIATA’s constituent annual general meeting took place in the large ballroom of the Vienna Business Association, on May 31, 1926. 16 European associations were represented. Paul Lehmann, of the Nordic freight forwarders association, based in Copenhagen (Denmark), was elected as the first president. For reasons related to neutrality, headquarters were established in Bern, from where they have since moved to Zurich (both Switzerland).

The aim of representing the industry’s professional and economic interests vis-à-vis national and international organizations, institutions, governments and carriers was central from the very beginning, as was the creation of international business standards. In 1927 and 1928, the first general conditions and arbitration rules were formulated and accepted as industry standards.

After WWII, FIATA membership grew strongly, in line with developments in world trade. The fall of the Iron Curtain brought a further boost. FIATA now represents approximately 40’000 forwarding companies employing around 8 – 10 million people in 150 countries.

FIATA has consultative status with the United Nations’ Economic and Social Council (Ecossoc), the United Nations Conference on Trade and Development (Unctad), the UN Economic Commission for Europe (UN/ECE), and the UN Economic and Social Commission for Asia and the Pacific (UN/Escap).

FIATA is recognised as representing the freight forwarding industry by many governmental organisations, government authorities and private international organisations in the field of transport such as the International Chamber of Commerce (ICC), the International Air Transport Association (IATA), the International Union of Railways (UIC), the International Road Transport Union (IRU) and the World Customs Organization (WCO), amongst many others.

Help - we’re drowning in paper!
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brokers and the commercial traders find value in considering a paper free or paperless environment.

IATA’s e-freight focus should be placed on what is obtainable and doable by bearing in mind that none of the following suggestions will result in those significant millions and billions of savings promised to - and now expected - by IATA’s membership;

1 - Gather Broad Based Partnership And Support
Through spearheading a global industry wide cooperative effort with such bodies as IATA / FIATA / the World Customs Organization / the United Nations Conference On Trade and Development / Shippers Councils etc. and to lobby states who have yet to ratify the Montreal Convention 1999 - (presently 70 nations have done so) , thus allowing the modernization of the air transport legal framework and promote the functionality of global e-commerce in air transport.

2 - Go Plain Paper
Get rid of the air waybill as a form-set document - require all IATA carriers to accept laser printed plain paper air waybills. After all, it is ridiculous that in today’s computer age forwarders must maintain typewriters and dot matrix printers to prepare what amounts to possibly the only remaining form-set document in their entire operation.

3 - Go Paper Free  (Origin Forwarder to Air Carrier)
Allow for the air waybill and the cargo manifest to be delivered *electronically* to the airline at origin, by fax or by email attachment. There should be no need for the forwarder to deliver paper to an airline, unless the forwarder chooses to do so.

By making the physical delivery of carrier required documents optional, an origin forwarder may, in consultation with his client and destination agent or customs broker, decide to electronically transmit (transport and commercial documentation - which would normally be carried in a document pouch attached to the air waybill) directly to destination, without negatively affecting service levels.

4 - Go Paper Free  (Air Carrier to Origin Forwarder)
Allow for the air carrier to accept the cargo, and return a "signed" air waybill back to the forwarder electronically.

Eliminate the need for the forwarder to send a messenger to pick up a signed copy of the air waybill

5 - Go Paper Free  (Air Carrier to Destination Forwarder)
Allow for the air carrier to electronically pre-advice and deliver to the destination forwarder / customs broker or consignee, the arrival manifest and other carrier or customs transport documentation required upon arrival by the consignee.

Similar to origin, if a forwarder does not need to arrange to pick up arrival transport or customs documents, the forwarder may be inclined to request all commercial / transport documents be delivered by electronic means.

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Now, doing so, the air industry has effectively taken a significant amount of paper out of the "transport" process.
But let us not stop there, more can be done...

6 - Go Paper Free (Other Transport Documents)
Explore how other air carrier required documents can be similarly delivered "electronically". For example the Dangerous Goods certificate.

Then we can take the next step, which will be dependent on government acceptance to...

7 - Go Paper Free (Government Required Documents)
Explore how other governmental, regulatory or customs required original documents can be similarly delivered "electronically", i.e. quota certificates / carnets

And finally - we can look to establishing new messaging standards to...

8 - Go Paperless (All Transport Documents)
Revisit the IATA paperless air waybill project of 1998. It died in part due to IATA member airlines’ unwillingness to invest the resources needed to make the messaging standard globally available.
Learn from the past mistakes and consider launching a new messaging platform by utilizing today's technology to offer cost efficient message transmission - of carrier required documents - from forwarder to air carrier to forwarder.

In summery, I am preaching basic transport 101, where the rubber meets the runway, but IATA likes to fly high - with panache - and only time will tell if they ever get their heads out of the clouds.

However, if the air cargo industry truly desires to obtain the benefits e-commerce can bring to all, we must work from the ground up to re-engineer the processes we do every day to provide more benefits to the customer. And then customer acceptance - of a more efficient and cost effective supply chain - will follow in short order.

CIFFA Has Presence at TIACA
At the same TIACA Conference in Calgary, CIFFA participated in the Trade Exhibition and a booth was manned by the Secretary-Manager, Marilyn Massoud, together with CIFFA member volunteers: Paul Waddell, Cole Freight; Amanda Konnik, LEI; Mark Fatica, Panalpina and Sharlene Bates, ITN Logistics. Thank you to all the volunteers.

CIFFA offered a draw to win one of ten Dangerous Goods Awareness E-Learning Courses. Congratulations to all the lucky winners:

Chris M. Clark  UPS Airlines  Louisville  KY
Sharen Kaur  Business Times (Malaysia) Sdn Bhd  Kuala Lumpur
Kevin G. Duffy  Bertling Canada Ltd.  Calgary  AB
Robert E. Myers  Daniel Webster College  Nashua  NH
William Pelletier  University of Florida, Distribution & Retailing  Gainesville  FL
M. Juliana Garcia B.  Rohde & Liesenfeld Canada Inc.  Calgary  AB
Catherine Boriszyuck  Rohde & Liesenfeld Canada Inc  Calgary  AB
Michael Pinto  Maersk Logistics Canada Inc.  Mississauga  ON
Katerina Singh  SDV Canada  Calgary  AB
Craig Cornichuck  Anchorage Economic Dev. Corporation  Anchorage  Alaska

While at the Conference Marilyn Massoud met with Lily Kam, Assistant Business Matching Manager of the Hong Kong Trade Development Council, who outlined Hong Kong’s new Business Matching Program which aims to “match” Canadian Forwarders and Importers with forwarding agents and/or manufacturers both in Hong Kong and mainland China. For more details contact Mrs. Kam directly - lily.kam@tdc.org.hk or visit their website www.tdctrade.com/abouttdc/globalnetwork.htm

The Exhibitors were also entertained by traditional Malaysian Dancers, courtesy of MASKARGO.
E-Learning provides many benefits to students:

1. Students can learn at their own pace. Therefore, students who grasp the information quickly can proceed through the program at a faster pace. Students who need more time to acquire the new skills and knowledge, can take their time, and can even review topics they are having difficulty with.

2. Students can learn when and where they want. Traditionally, the CIFFA Professional Education Programs run from September to April each year. For many students, this timing conflicts with their personal and professional schedules. E-Learning allows students to start and stop their learning, when it is convenient for them.

3. Customized content. Many CIFFA students already have acquired industry skills and knowledge, and therefore don’t need to sit through a classroom lecture covering these topics. These students can quickly review the material, and concentrate on topics that are not familiar to them. In essence, the E-Learning program becomes customized to a student’s individual needs.

4. Consistency of message. Since classroom-based courses are delivered in different cities, by different instructors, each instructor imparts his or her own opinions/experiences in the topics. This may result in slight variations of what is being taught. An E-Learning program eliminates these variations, and a consistent message is delivered to all students.

E-Learning is also a viable option to students who do not reside in the major cities of Canada, and don’t have access to classroom-based education.

CIFFA is still deciding what the actual delivery method of the E-Learning program will be. According to Doug Burek: “We are researching what the best method of delivering our E-Learning programs to our students will be. It may be a stand-alone product, or it may still have some on-line instructor involvement, or we may have a conference-call question and answer arrangement. We will base our final delivery method on what is best for the learners, and what is economically and logistically viable.”

“Other associations and organizations are extremely interested in CIFFA’s E-Learning progress, and we have some interest in developing partnerships in the international market.”

Whether education is delivered in a classroom or in an E-Learning environment, employer involvement is critical to the success of their staff. Employer support and follow-up is key to ensure their staff stay on schedule, do well in testing and exams, and are there to assist with any questions or problems. Additionally, after training or education is completed, employers must ensure that their employees use the skills and knowledge learned. Progressive employers either allow their staff to complete some of the E-Learning on company time, or give them credit for completing some E-Learning on their own time.

More details on CIFFA’s current Ocean Dangerous Goods E-Learning Programs can be found on the CIFFA web site: http://www.ciffa.com/education_elearning.asp

Additional details on CIFFA’s E-Learning Air Dangerous Goods and Professional Education Programs will be made available, as the programs are finalized.

For specific information regarding CIFFA’s E-Learning initiatives, please contact:

Doug Burek, Director Education – CIFFA
Tel: 416-234-5100 Ext. 224. E-mail: dougb@ciffa.com
Members of the National Board of Directors and the Secretariat of CIFFA take very seriously our role as "The voice of freight forwarding in Canada." Where is the voice of freight forwarding being heard? What audiences are hearing our message? The following table highlights some of our speaking engagements in 2006 and looks forward to a busy 2007.

If you are planning to attend an industry conference, consider attending where CIFFA is participating. Be part of an exciting voice that is being heard across Canada and around the world.

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<th>Date</th>
<th>Speaker</th>
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<td>January 2006</td>
<td>Don Lucky (President: CIFFA)</td>
<td>BCCC Working Group Meeting</td>
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<td>February 2006</td>
<td>Donna Letterio (Director: CIFFA)</td>
<td>IATA Cargo Working Group Meeting</td>
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<td>March 2006</td>
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<td>CAC Security Conference</td>
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<td>April 2006,</td>
<td>Ruth Snowden</td>
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<td>“Significant Trends in International Freight: What Traders Need to Know</td>
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<td>William Gottlieb (Director: CIFFA)</td>
<td>CIFFA, IATA, CBSA and Transport Canada meeting</td>
<td>LATA Simplifying the Business initiatives &quot;e-freight&quot;</td>
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<td>April 2006,</td>
<td>Gary Vince (Director: CIFFA)</td>
<td>IE Canada Conference</td>
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<td>Ottawa, ON</td>
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<td>IATA / FIATA Customs Working Group &amp; CBSA Airlines, forwarders, customs</td>
<td>Air ACI</td>
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<td>April 2006,</td>
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<td>Vancouver, BC</td>
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<td>May 2006</td>
<td>William Gottlieb (Director: CIFFA)</td>
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<td>June 2006,</td>
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<td>Orangeville, ON</td>
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<td>August 2006</td>
<td>William Gottlieb (Director: CIFFA)</td>
<td>The International Air Cargo Association  (TIACA) The Air Cargo Forum</td>
<td>“Help, We’re Drowning in Paper”</td>
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<td>September 2006,</td>
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<td>Calgary, AB</td>
<td>D. Lucky, Wm. Gottlieb, C. Gillespie</td>
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<td>Shanghai, China</td>
<td>Marc Bibeau (Director: CIFFA)</td>
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<tr>
<td>Vancouver, BC</td>
<td>Marilyn Massoud</td>
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<td>CIFFA booth at 3 day exhibition</td>
</tr>
<tr>
<td>Montreal, QC</td>
<td>William Gottlieb (Director: CIFFA)</td>
<td>Transpo 2007 Annual Canadian Industrial Transportation Association (CITA) show &amp; conference</td>
<td>Beating the Obstacles to Deliver the Goods.</td>
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The International Chamber of Commerce (ICC) warned in early September that an increase in the extraterritorial application of national laws and regulations is having a negative impact on international trade and investment. The ICC said that despite consistent efforts by the business community over the past 20 years to mitigate the effects of extraterritoriality, this phenomenon “has reached new heights and poses renewed threats to international commerce.”

The group recommended a number of measures for national governments to take to counter this trend. According to an ICC policy statement, the increasing globalization of business and the expanding regulation of commerce by individual governments have led to a significant rise in the application of national laws and regulations to persons or conduct outside national borders. Although this extraterritoriality is often the result of efforts to combat terrorism, crime, corruption, cartels and other concerns on a cross-border basis, the ICC believes it can and does have significant negative effects on international trade and investment. Among other things, it subjects companies to conflicting or overlapping legal requirements, fosters unpredictability, increases the risks involved in commercial activities, exposes companies to overly burdensome litigation in foreign jurisdictions and inflates legal and other transaction costs. Companies of all sizes and industries are affected; while multinational firms frequently bear the heaviest costs, small and medium-sized businesses are often the least able to handle the burden these measures impose.

To mitigate the adverse effects of extraterritoriality, the ITC makes the following recommendations.

- Policymakers, including legislators and regulators, as well as courts, should recognize principles of moderation and respect for other states’ interests when enacting legislation, enforcing rules or otherwise exercising jurisdiction. In this regard, the ICC urges all nations to put into practice the proposals agreed in 1984 by OECD member countries: having due regard for relevant principles of international law, showing moderation and restraint, respecting and accommodating the interests of other states, and taking fully into account the sovereignty and legitimate economic, law enforcement and additional interests of other states.

- Policymakers and courts should limit the application of national laws and regulations to matters connected to their national territory by a substantial and predictable link and should recognize the decisions rendered in other states on the basis of internationally recognized criteria of jurisdiction. Courts should refrain from exercising jurisdiction in matters that lack a substantial and predictable link with their national territory, and countries should explore further limits on the exercise of judicial jurisdiction in recognition of the principle of international comity.

- Countries should foster the convergence and harmonization of national laws and policies and accept the mutual recognition of equivalent standards, recognizing that not all areas of law may be suitable for harmonization.

- Nations should strengthen bilateral and multilateral consultation and cooperation between their regulators to prevent and resolve extraterritoriality disputes; e.g., within the International Competition Network or through the formation of additional consulting bodies.

- Governments should consider greater use of existing intergovernmental organizations, or the creation of a new international convention, as vehicles for discussing and resolving disputes related to the extraterritorial application of national laws: http://www.iccwbo.org/iccifgi/index.html

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**Business Group (ICC) urges measures against extraterritorial application of National Laws**

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**Fall 2006 CIFFA Professional Development Workshops Schedule**

**TORONTO**
- Incoterms: October 24 (a.m.)
- Letters of Credit: October 24 (p.m.)
- Cargo Insurance: October 25 (a.m.)
- The Risks Forwarders Face: October 25 (p.m.)

**MONTREAL**
- Incoterms: October 17 (a.m.)
- Letters of Credit: October 17 (p.m.)
- Cargo Insurance: October 18 (a.m.)
- The Risks Forwarders Face: October 18 (p.m.)

The registration fee is for EACH half day workshop. (Subject to 6% GST)

- CIFFA Members: $125.00 per person (CIFFA Member or PFF)  
- Non-CIFFA Members: $150.00 per person (Non-CIFFA Member)

Discounts:

- CIFFA Members: If 3 or more Registrations* received, a 20% discount will apply:  
  $100.00 + $6.00 GST = $106.00 (per registration)  
  (SAVINGS of $26.50 per Registration)

- Non-CIFFA Members: If 3 or more Registrations* received, a 15% discount will apply:  
  $127.50 + $7.65 GST = $135.15 (per registration)  
  (SAVINGS of $23.85 per Registration)

*Registrations and payments must be received at the same time.

Register on Line at  
https://www.ciffa.com/https/registeronline_step1.asp
Europeans broach idea of Trade Pact with Russia

Two European Union officials unexpectedly floated the idea in late June of opening talks with Moscow on forming a free trade area encompassing Europe and Russia and expressed the hope that member countries would approve of the idea.

A European Union spokesman, however, later back-pedalled on the comments, which were made by the group's president and commissioner, saying a free trade deal with Moscow is a more distant prospect, though one that cannot be ruled out as Russia's economy improves on the back of high energy prices.

The European Union is pressing Russia to open its domestic energy industry to foreign investment and independent access to pipelines. In exchange, Moscow is asking for access to European Union markets - though there had not previously been any mention of a free trade pact spinning out of this energy dialogue.

These positive statements could be a sign of Russia's success in leveraging its energy resources to win wider economic and political concessions from Europe, Chris Weafer, chief analyst at Alfa Bank, said. “It’s part of the negotiations. Europe wants an energy deal with Russia,” Mr. Weafer said. “It’s keeping the carrot dangling; it’s the positive spin on negotiations. We won’t see a free trade deal with Europe that quick. But it’s a possibility if Russia's economy continues to improve.”

Speaking at a news conference in Helsinki, Prime Minister Matti Vanhanen of Finland, whose country holds the rotating European Union presidency, said he would like to see talks open this fall. “Our aim is that in November, when we have this EU - Russia summit, to make a decision to start official negotiations,” Mr. Vanhanen said, according to Reuters.

*“Negotiations would be done during 2007,” he added.*

The European Union is eager to seal an energy deal with Russia to avoid a repeat of events such as last winter, when Gazprom, the Russian natural gas monopoly, briefly halted supplies of natural gas to Ukraine. Gazprom also ran short of fuel during a cold snap in January, raising concerns that the company is not investing enough in its aging gas fields in the Arctic. Europe relies on Russia for about a quarter of its natural gas supplies.

José Manuel Barroso, the president of the European Commission, speaking at the same news conference, said Moscow would first have to join the World Trade Organization before striking any other deals on preferential trade.

“We propose to move toward a free trade agreement to be completed once Russia accedes to the W.T.O.,” Mr. Barroso said, Reuters reported.

Still, a free trade deal is not on an agenda for talks with Russia this fall. The agenda for those negotiations, to replace a 10-year-old accord that expires this year, was approved just on Monday. A statement from the union said, “The mandate does not cover any preferential agreement with Russia.”

Peter Power, the European Union trade spokesman, said in a telephone interview from Brussels: “This is a long-term issue. It is not on the agenda now. It will not be on the agenda until Russia is a member of the W.T.O. in the first instance, and then perhaps not immediately.”

Russia, which applied to the W.T.O. in 1993, has won approval from most countries in the 149-member trade group and diplomats say final approval is imminent. But Moscow is still tied up in negotiations with the United States over spread music and movie piracy, aircraft tariffs and banking regulations. The European Union too has objected to Russian fees for airlines that fly over Siberia on flights from Europe to Asia. ☞
Ten crafty technology strategies

These companies are big, innovative and successful. And they just might have a notion or two worth borrowing for your business.

Ref. - September 19, 2006 Forbes/Entrepreneurs/SmallBizResource.com

Wireless

1. Access Made Easy

Construction company Emcor Group put voice, e-mail and specialized applications on a handheld device that fits in a shirt pocket. That's providing a practical way to keep the people closest to the customer up to date.

Field technicians are now more productive, using a wireless dispatching system tied to Emcor's customer support center. The result: Customers are served better and faster and with consistently higher quality. Technicians arrive promptly and are better prepared to address customer concerns.

The same device used by the technicians for this service application also is their cell phone. Emcor recently added e-mail delivery to the device, further integrating the tools and resources needed every day. The approach has improved time to invoice, invoice accuracy and overall customer satisfaction by more closely integrating the field to the office.

2. On The 3G Speedway

Over the past year, Ohio Casualty Group (nasdaq: OCAS - news - people) has streamlined its insurance claims process with an enhanced wireless network that provides higher-speed connections over a third-generation cellular network.

Prior to going wireless, Ohio Casualty’s claim adjusters would either receive a phone call or a fax notifying them of an assignment. With 3G, the claim call center sends claim assignments via a Web application to the adjuster’s laptop; at the same time, the adjuster’s cell phone receives an SMS message notifying him or her of the new assignment. The adjuster can look at the claim while traveling to the body shop or claim site, take a digital picture of the damage and upload the digital picture to an electronic claim folder without ever having to be “connected.”

3. Free Wi-Fi

As Staples (nasdaq: SPLS - news - people) made a significant push into the Chicago market last year, the office products retailer was entering its competition’s stronghold, so it needed to focus on differentiation. One way: free Wi-Fi in its Chicago stores.

Providing Wi-Fi at no cost lets customers drop off copy and print jobs by bringing their own laptops or other wireless devices to the store. The service also makes it easier for staff to sell wireless devices, letting them demonstrate the technologies to customers in a working environment.

Security

4. E-Mail Watchdog

Security is serious business at Capital BlueCross. The insurance

(Continued on page 13)

The European Counterweight

A geopolitical view of Europe

Part 1: A Leaderless Superpower

With its expansion to 25 member states, the European Union is poised to become a vast federal superstate. As it seeks to be a “counterweight” to US Global interests, will Europe replace America as the world’s leading superpower?

It has more people (454.7 million) than the United States - a larger consumer market - more troops (collectively, almost two million armed forces personnel) - and, with more votes on the United Nations Security Council and every other international body, stronger political muscle.

It also has an emerging common culture that speaks a common language: English. The decades-old European dream of becoming a kind of “United States of Europe” is becoming a reality. Speaking at the Carnegie Council’s “Books for Breakfast” program, T.R. Reid, bureau chief for The Washington Post and author of the book ‘The United States of Europe: The New Superpower and the End of American Supremacy’, observed, “I think it’s fair to say that Europe is more united today than at any time since the Roman Empire.” But what does this mean for America’s future?

“Let Europe Arise!”

Within a 75-year span, the European continent was ravaged by three brutal war campaigns: the Franco-Prussian War (1870-71), World War I (1914-18) and World War II (1939-45). Together, an estimated 60 to 70 million Europeans were killed.

In the aftermath of WWII, the United States became a world-leading superpower, countered by the Soviet Union. As the Iron Curtain came down on Europe, dividing East from West, war-torn nations on both sides raced to rebuild their armed forces. Another continental war seemed to loom on the horizon. And so leaders, thinkers, idealists and religionists set out to fulfill a vision: a reorganized Europe free from nationalist strife, military competition and arms races.

On September 19, 1946, in Zurich, Switzerland, Winston Churchill gave a speech that addressed the state of Europe and its future. “If Europe were once united in the sharing of its common inheritance,” he said, “there would be no limit to the happiness, to the prosperity and the glory which its three or four hundred million people would enjoy.”

(Continued on page 16)
Canada’s new Advance Commercial Information (ACI) requirements present challenges

Like most significant change initiatives, the early months of Canada’s new Advance Commercial Information (ACI) requirements have presented challenges for the air cargo industry.

The premise of the new regulations is that standardized electronic data, transmitted in advance of a shipment, facilitates and enhances automated risk assessment by governments. The reality of the new regulations, at least in the implementation stages, is that costs and delays are being introduced into the movement of goods.

In Canada, the Canada Border Services Agency’s (CBSA) Advance Commercial Information (ACI) program - Phase I - required marine carriers to transmit marine data electronically to the CBSA 24 hours prior to loading cargo at a foreign port.

Phase II of the Advance Commercial Information (ACI) program was fully implemented on July 27, 2006 requiring primary air carriers to transmit air cargo data electronically to the CBSA four hours prior to loading cargo at a foreign port or, if the flight is less than four hours, at the time of departure from a foreign airport. Note here that contrary to the marine program (Phase I), the air carrier is held solely responsible for all data requirements - inclusive of supplementary details.

While Canada’s ACI initiatives are aligned with those of its neighbour to the south, they are not identical to the US Automated Manifest Systems requirements, adding complexities to the implementation. Changes in technology and processes already made by carriers and forwarders to meet US requirements had to be revised to meet Canadian requirements, at additional financial and human resource costs.

Members of the Canadian International Freight Forwarders Association (CIFFA) have reported several instances of delay where, for example, entire inbound air consolidations miss flights at origin due to Risk Assessment (RA) notices being placed on a single HAWB. Alternatively, CIFFA member firms have encountered immense problems with consolidations where a part of that load was short-shipped by the carrier, for whatever reasons. Hence, reported details were not compatible with information received by the CBSA and the cargo release was put ‘on hold’, often for a week or more!

At issue is the desirability of the forwarder to submit supplementary cargo reports directly to the CBSA and receive response messages directly back from the CBSA, while under current Canadian legislation, only the air carrier is recognized by the CBSA as being responsible for the submission of data. “Yet, legally speaking it is IATA agent, not the carrier, that is the temporary

Ten crafty technology strategies
(Continued from page 12)

company has e-mail filters that detect personal health information as defined by the Centers for Medicare and Medicaid Services. If such information is detected in an e-mail, the message is stored in a database, and a message is sent to the recipient with a URL he or she can click on to access the e-mail. E-mail recipients then log on to a secure personal account to read the e-mail. Web-facing customer data is encrypted, and Social Security numbers are removed from all external business processes. Instead, a surrogate value is used that’s cross-referenced in an Enterprise Master Person Index from SeeBeyond.

Customer intimacy
5. CRM For Celebrations

It’s the rare company that could claim to know their customers as well as Harrah’s Entertainment (nyse: HET - news - people ). Yet for the past 12 months it has been working to do more with that knowledge by implementing what it calls operational CRM. Leveraging real-time and historical customer data and operating information, the casino company can anticipate ways to add to a customers’ experience, such as surprising them with special offers, promotions and messages based on that individual’s spending with the company.

Harrah’s is scaling up this operational CRM concept by creating automated ways to interact with customers through a variety of touch points. So, when a guest is playing a slot machine, he or she can print coupons and offers that provide play, dining, and entertainment vouchers, and personalized services based on the customer’s preferences.

Other possibilities include giving patrons some kind of gift or offer the moment they hit a new loyalty status, or rewarding customers for trying multiple venues in a certain time period. It also should help provide data in near real time for use in addressing service problems. The point of the technology is to change CRM from something used for analysis after the visit into a tool for personalized, in-the-moment interactions.

6. Do You Know Where Your Viagra Is?

Pfizer (nyse: PFE - news - people ) is shipping Viagra with Electronic Product Code-encoded RFID tags to U.S. customers, making it one of the industry’s leaders in trying to use tech against drug counterfeiting. The pharmaceutical company also plans to provide an authentication capability that will let wholesale and retail customers verify the authenticity of the EPCs on RFID tags on Pfizer’s bottles, cases and pallets of Viagra. All 3.3 million bottles, 69,000 cases and 550 pallets of the drug distributed within the United States this year will be RFID-tagged.

Overall Innovation
7. Wring Profits Out Of IT

IM Family Enterprises’ IT organization has evolved from being a transactional service provider to a business partner. The proof in the last year comes from expansion of the services it sells to dealers, and a new tech-driven division, JMsolutions.

The Dealer Services initiative centers on adapting and marketing internal IT products and services to other companies. Profit
JUST FOR LAUGHS

“The Life of a Freight Forwarder”

We are capable calculating quotations for three major projects, making booking for 5 different shipments and answering 12 totally unnecessary calls per hour, all simultaneously. We do not require sleep and are at your service 25 hours a day, 8 days a week. Our home numbers are your numbers.

We are responsible for production delays, traffic jams, mechanical problems with trucks, aircraft and ships and depressed economic conditions overall. We are totally responsible for any lost or damaged freight and will personally replace it upon request.

We have powers that allow us to add unlimited weight and volume to an already overloaded truck. We create miracles by loading unlimited weight and volume into airline/sea freight containers. Further more, we can always motivate drivers to be your free-of-charge temporary employees to help with loading and unloading.

“Yesterday” delivery requirements with cargo loading today are regularly completed the day before yesterday, ten times a day, everyday. We know that when you order a truck for loading on Monday that you really needed it on Saturday, but that you only want the overnight load delivered the following Wednesday. You want us to be at the office on weekends & public holidays to unload your goods at 2 am to ensure that your truck returns in time for your normal deliveries.

We are always friendly with a smile, have mastered telepathy, show empathy and gladly act as our customers’ psychiatrists. We embrace the challenge when you cancel the space with the airline and one hour later expect the airplane to hold the space for you just in case you require the capacity again, and do this daily.

We embrace the opportunity that you allow us to develop our negotiation skills with airline staff in securing capacity on already overbooked flight and allowing us to freely negotiate a cheap spot rate for the freight as well.

We speak all languages and know the location of even the smallest town anywhere in the world. We are able to obtain a freight rate inclusive of clearance and door delivery to the strangest of places at a moment's notice. At your request we can comply with any and all additional requirements your company may have. We also repair vehicles and computers for undisturbed road traffic, and have cloaked our vehicles and if that does not resolve a traffic jam, we are capable of freeing the roads upon request in order to meet cut-offs.

Naturally, payment of our invoices is optional, and if your company has financial difficulties we will gladly advance unlimited funds for as long as you require them.

Our lives have been enriched by the endless opportunities that you have allowed us to experience.

Author unknown

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Ten crafty technology strategies

(Continued from page 13)

generated is reinvested into the IT organization to lower customers' charges and fund internal IT projects. Building this self-funding model lets the IT organization invest in areas traditionally difficult to get funded, such as R&D and infrastructure refreshes. The company offers 27 IT products and services, including a suite of wireless products, retail kiosks, eBay (nasdaq: EBAY - news - people) auction sites, network services, virus protection and Web filtering.

Riding on this success, the diversified auto company formed a new division, JMBSolutions. It has introduced the JMBSolutions RetailSuite and a wireless appraisal solution, Mobile Auto Xchange. Both are industry firsts, and they have more than 1,000 customers.

8. Every Minute Counts

As a transportation services company, APL can’t afford to waste time. Optical character-recognition technology on truck gates in Los Angeles and Seattle has reduced the waiting time for trucks by 40%. As trucks arrive, video cameras relay container and chassis numbers to OCR software. Before, clerks manually entered the data; now, they just check the numbers on the computer screen against the video camera feed. More than 90% of entry-gate transactions are automated, as are 79% of Seattle’s exit-gate transactions. Seattle’s exit lines have disappeared, and exit times average 20 seconds, versus up to ten minutes previously.

9. Big On Service

Washington Mutual’s (nyse: WM - news - people) cross-selling effort is highly interactive, flashing a "Customer Offer" button on a teller's screen at the moments that he or she starts helping a customer. Offers are customized to the customer’s actual account or type of transaction, such as a small-business owner checking account deposit, and they include scripted language to walk the service rep through the offer and answer questions.

But what’s perhaps most innovative is the system’s ability to be selective. Washington Mutual’s IT group, working with business partners, built the tool so it generates thousands of potential offers daily across the company. These offers are then filtered down, using data and analytics, to a manageable number that might be appropriate for a particular customer. After each transaction, the service representative records the customer’s reaction (accept, reject or considering). The system continuously learns from this feedback, honing future offers to increase customer acceptance.

10. Cell Phone Tricks

Penske Truck Leasing is making smart cell phones do new tricks by incorporating GPS. The company is expanding what its CellComm wireless software can do to track driver progress and validate that the correct freight is going where it needs to be.

Penske uses about 1,700 CellComm-driven phones, and it’s developing five enhancements this year: a dynamic trip plan that lets a dispatcher reroute drivers while en route, based on their actual locations; a bar-code scanner integrated into the phone; electronic signature capture on a Treo PDA/cell phone; a safety measure that uses GPS coordinates to estimate speed so that Penske can limit key entry and phone use if a vehicle's moving 5 mph or more; and maps with time stamps to audit drivers' routes, along with a "ping" system to periodically check driver locations against maps for audit and safety. ☞
Correspondence from around the world

Agents: CIFFA has received correspondence from the locations listed below looking for agency relationships with member firms in Canada.

1. Istanbul, Turkey
2. Shenzhen, China
3. Khartoum, Sudan
4. Tamil, India
5. Manila, Philippines
6. Calcutta, India
7. Mashhad, Iran
8. Gdynia, Poland
9. Shanghai, China
10. Hong Kong, China
11. Colombo, Sri Lanka
12. Dhaka, Bangladesh
13. Lagos, Nigeria
14. Kathmandu, Nepal
15. Bayan Lepas, Penang
16. Dubai, UAE
17. Stade, Germany
18. Tema, Ghana

Just for Laughts
(Continued from page 14)

“The Logician”

Logisticians are a sad and embittered race of men who are very much in demand in war, and who sink resentfully into obscurity in peace. They deal only in facts, but must work for men who merchant in theories. They emerge during war because war is very much a fact. They disappear in peace because peace is mostly theory. The people who merchant in theories, and who employ logisticians in war and ignore them in peace, are generals.

Generals are a happily blessed race who radiate confidence and power. They feed only on ambrosia and drink only nectar. In peace, they stride confidently and can invade a world simply by sweeping their hands grandly over a map, pointing their fingers decisively up terrain corridors, and blocking defiles and obstacles with the sides of their hands. In war, they must stride more slowly because each general has a logistician riding on his back and he knows that, at any moment, the logistician may lean forward and whisper: “No, you can’t do that.” Generals fear logisticians in war and in peace, generals try to forget logisticians.

Romping along beside generals are strategists and tacticians. Logisticians despise strategists and tacticians. Strategists and tacticians do not know about logisticians until they grow to become generals—which they usually do.

Sometimes a logistician becomes a general. If he does, he must associate with generals whom he hates; he has a retinue of strategists and tacticians whom he despises; and, on his back, is a logistician whom he fears. This is why logisticians who become generals always have ulcers and cannot eat their ambrosia.

Author Unknown

Resumés

1. Torontonian with 5 years experience in freight forwarding and 16 years office experience looking for a position in the industry.
2. Montrealer with 2 years Canadian experience and 7 years Chinese experience in the industry seeks employment.
3. Torontonian with 6 years in international trade promotion/operations seeks entry-level position with forwarder.
4. Person with 3 years miscellaneous Canadian experience and 7 years operations experience in China seeks position in Toronto.
5. Person with 10 years plus experience in shipping and receiving seeks position in Toronto.
6. Calgarian with 20 years forwarding experience in Zimbabwe seeks position in industry.
7. Person with 12 years customer service experience & MBA and BS from China, seeks position in Burnaby.
8. Torontonian with 3 years experience in business analysis and Seneca Diploma in Computer programming & Analysis seeks position.
9. Person with close to 20 years accounting experience seeks position in Toronto.
10. With 6 years Canadian forwarding experience and several years in the UK, with UK certificate of Competency in Road Transport Management, seeks position in Winnipeg.

Interested members send your requests to info@ciffa.com, quoting the item number required.
CBSA and CIFFA team up!

The only constant is change. As regulations change and new procedures are introduced, the CBSA meets with CIFFA members to offer updates and reviews. Get the right information from the people who make the policies and implement the programs. Participate and be heard.

a) Export Processing:

The CBSA and CIFFA offer three information sessions from 09:00 - 11:00 hours. Registration will begin at 08:30 hours.

- Reporting of in transit goods
- Review export reporting for marine shipments
- How it works today
- Export reporting including proper completion of the CAED, review of certain fields such as ‘place of report’ and the proper export reporting process for shipments with Export Permits
- MOU agreements and an update on changes to Appendix A & B
- Electronic reporting on ACI for carriers & other proposed changes to the export program
- AMPS penalties changes & new

N.B. As usual a cost recovery fee of $30.00 applies to CIFFA information sessions.

b) ACI Air:

With four months of the Advance Commercial Information Air initiative under our belts, the CBSA plans to meet with CIFFA members as part of a two-way dialogue to get feedback on the implementation.

Tentatively scheduled for Monday October 30, 2006 in Toronto the meeting will offer members information on compliance issues and processes. The CBSA will also discuss next steps in the program and will address outstanding issues.

This is an excellent opportunity for member to raise issues, ask questions and be heard. Watch the eBulletin for time and location details.

The European Counterweight
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“...all the while there is a remedy which, if it were generally and spontaneously adopted by the great majority of people in many lands, would as if by a miracle transform the whole scene, and would in a few years make all Europe, or the greater part of it, as free and as happy as Switzerland is today. What is this sovereign remedy? It is to re-create the European Family, or as much of it as we can, and to provide it with a structure under which it can dwell in peace, in safety and in freedom. We must build a kind of United States of Europe.”

Churchill proposed that this unified European state be spearheaded by a partnership between France and Germany.

Continuing, he said, “The structure of the United States of Europe, if well and truly built, will be such as to make the material strength of a single state less important. Small nations will count as much as large ones and gain their honor by their contribution to the common cause.”

“...we must re-create the European Family in a regional structure called, it may be, the United States of Europe. And the first practical step would be to form a Council of Europe. If at first all the States of Europe are not willing or able to join the Union, we must nevertheless proceed to assemble and combine those who will and those who can. The salvation of the common people of every race and of every land from war or servitude must be established on solid foundations and must be guarded by the readiness of all men and women to die rather than submit to tyranny. In all this urgent work, France and Germany must take the lead together. Great Britain, the British Commonwealth of Nations, mighty America and I trust Soviet Russia- for then indeed all would be well - must be the friends and sponsors of the new Europe and must champion its right to live and shine.

“Therefore I say to you: let Europe arise!”
Churchill’s speech laid the groundwork for today’s European Union - and marked the prophetic path it will take.

The Power of Subtle Diplomacy

For centuries, Italy, Spain, France, Germany, Britain and other Western European countries ran global empires that steered or influenced the course of world events. These nations operated from a position of strength: They possessed the military might to impose their will upon weaker countries - and were not afraid to use it.

But by 1945, this had changed; the age of European empires came to an end.

The conclusion of WWII ushered in the Cold War, which left Europe caught between the competing interests and politics of America and the USSR. With their economies and infrastructures in shambles - and no longer possessing the military means to impose their national will - European leaders were relegated to being minor players on the world stage. Under the far-reaching shadows of U.S.
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leadership and the looming threat of Soviet aggression, Europe operated from a position of weakness, and had to master the art of subtle diplomacy, using charm, stealth, guile, compromise and appeasement to secure their political interests.

Alone, no European nation had the resources to challenge the political, financial and military muscle of the two superpowers - yet Britain, Italy, Germany, France and others realized that together they could hold their own. This became a key motivator for the Europeans to unify. From the 1950s onward, the nations learned to pool their resources together, entering into treaties and setting up commissions that ultimately led to the formation of the European Union.

With the dismantling of the Berlin Wall in 1989, and the subsequent collapse of the USSR, America was left as the lone superpower. Despite all that the United States had done to rebuild, fortify and protect Western Europe, European leaders dreaded the prospect of the U.S. pursuing its global interests unchallenged. This fear motivated the EU’s transformation into a political and economic counterweight to American power.

The European Counterweight
Today, the EU has the economic clout necessary to make many of the rules that shape and govern world commerce.

In a July 2001 decision, the European Commission voted unanimously - without even a debate - to veto a proposed merger between American aircraft giants General Electric and Honeywell. This $45 billion deal - which had been approved by the U.S. Justice Department - would have been the biggest industrial merger in history.

Four years later, the European Court of First Instance acknowledged that “the Commission’s reasoning was marred by legal errors,” and that “in the words of the court, the decision was ‘vitiated [invalidated] by illegalities.’” However, the court upheld the 2001 decision. Honeywell and GE did not merge.

Why? Because if the merger had taken place, the new aircraft giant would have been shut out of the largest market in the world - the 25 member nations of the European Union.

Even software titan Microsoft has had to bow to Europe’s demands. For years, U.S. authorities have tried to restrain Microsoft Corporation’s domination of the computer industry, but with little success. In a March 2004 antitrust ruling, the European Commission ordered the company to pay 497 million euros ($613 million), share its software code with competitors, and offer an unbundled version of the Windows operating system.

The Seattle, Washington-based company complied - but apparently not to the EU’s satisfaction. In December 2005, taking further legal steps to ensure better compliance to the previous ruling, the commission threatened fines of up to $2.37 million per day if Microsoft did not provide its rivals with better documentation on its software programs.

If American corporations want access to the EU market, then they must be prepared to follow Europe’s rules. And this is why, as T.R. Reid explains in his book The United States of Europe, American whisky (for example) is sold in bottles that use the metric system, which is used universally in Europe.

In March 2005, the European Commission announced it would impose a 15% increase in duty on U.S. imports of paper, agricultural, textile and machinery products. This was in retaliation for Washington failing to comply with the World Trade Organization ruling that America’s anti-dumping law (the Byrd Amendment) was illegal. The amendment was killed in the U.S. Senate nine months later.

These are just a handful of examples of the EU imposing its economic will upon American companies and blocking U.S. global interests.

One must ask: Will Europe some day summon the political will to do so by force?

A Widening Transatlantic Rift
Political commentator Robert Kagan, a senior associate at the Carnegie Endowment for International Peace, observed this about Europe’s current position in exercising its political will: “In an anarchic world, small powers always fear they will be victims. Great powers, on the other hand, often fear rules that may constrain them more than they fear the anarchy in which their power brings security and prosperity… [Europe’s] tactics, like their goal, are the tactics of the weak. They hope to constrain American power without wielding power themselves. In what may be the ultimate feat of subtlety and indirection, they want to control the behemoth [the U.S.] by appealing to its conscience” (Policy Review, No. 113, “Power and Weakness”).

But what if the EU began to view America as unreasonable - without a “conscience”? How would it react? Would Europe, perhaps feeling justified, again embrace its former, centuries-old tactics of machtpolitik (“power politics”) and flex its military muscle?

Most Europeans resent the current White House administration. Nonetheless, they do largely favour the American people. They may see them as brash and unsophisticated, but Europeans also recognize that their American cousins are resourceful and kind-hearted, quick to help countries and peoples in dire straits, especially in the wake of sudden disasters. Europeans do not see Americans as malevolent people bent on world domination.

Nevertheless, America’s reputed “cowboy mentality,” an approach that addresses international problems with political bluntness and force, clashes with the European preference to employ diplomatic finesse and subtlety in place of military solutions. This is among the many issues and differences that are driving a wedge - a growing transatlantic rift - between Europe and America.

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Other points of contention are...

• Diplomacy and bureaucracy: Americans are known for their resourcefulness and "can-do" spirit; when unanticipated problems arise, they have a reputation for solving them with unconventional thinking. This reinforces the perception of an American cowboy mentality, in which U.S. statesmen are considered impatient and seek fast results for complex international situations.

In contrast, Europe is mired in bureaucracy; out-of-the-ordinary requests usually involve a great deal of bureaucratic red tape and form-filling. This is a product of the European mindset of patient diplomacy - the opposite of U.S. methods.

There is another related issue: While most U.S. citizens tend to want government involved in its affairs as little as possible, Europeans embrace government regulation. EU citizens gladly live under a "womb to tomb" welfare state that pays for virtually everything - health care, child care, education, etc.

But with such a far-reaching system comes bureaucracy, high taxes and heavy-handed regulation. Most Americans believe that these disadvantages far outweigh the benefits.

• Capital Punishment: Perhaps due to the continent’s centuries-long history of barbarism, capital punishment is both illegal and unpopular across Europe. From the average citizen, to government officials, to the pope, Europeans are vehemently against the death penalty - even for the most brutal of criminals. Any nation that desires to join the ever-expanding EU must abolish capital punishment from its land.

Whenever executions take place in the U.S. (which occur less often than Europeans might think), America is seen as barbaric.

A case-in-point: When convicted murderer Stanley "Tookie" Williams was executed, the European nations were outraged, especially Austria. Its native son, California Governor Arnold Schwarzenegger, refused to block the execution. To show their indignation, local activists of Graz, Austria, Mr. Schwarzenegger’s hometown, threatened to remove the governor’s name from a 15,300-seat sports stadium. (Turning the tables on his critics, Mr. Schwarzenegger demanded that his name be removed, and returned a ring of honour that Graz officials had given him six years earlier.)

• Controlling the Internet: From emails to web pages, Internet-based communications are enabling even the smallest of businesses to participate in the global market.

The Internet is a U.S. invention, and the vast majority of websites are still American-created and operated. Additionally, 62% of Americans have Internet access, while only 14% of the rest of the world possess this capability.

ICANN (the Internet Corporation for Assigned Names and Numbers), a private, non-profit U.S.-based organization, is responsible for assigning domain names and internet suffixes, such as “.com” and “.org.” The EU, along with China, Brazil and other critics, fear that ICANN (which has close ties to the U.S. Department of Commerce) wields far too much control over the World Wide Web.

“Though ICANN is a private organization with international board members, the Commerce Department can still veto what goes on government-approved lists of the 260 or so internet suffixes, like ‘.com.’ Theoretically, the US could simply disconnect the domains of countries, like Iran or North Korea, with which they are feuding” ("EU and US at Loggerheads Over Internet Control," Deutsche Welle).

Also, of the 13 root servers that direct traffic and serve as the Internet’s master directories, only one is located outside the United States (in Tokyo, Japan).

Citing growing security threats, increased usage of Internet-based global communications and commerce, and its historic role in developing and expanding the World Wide Web, the U.S. says it has the right to retain control.

Europe has proposed replacing American government oversight with a technical intergovernmental body: “The 25 EU countries are unanimously demanding a new cooperation model for the Internet, where all interested countries sit at one table to discuss the core questions of the network together,” the EU Commissioner for Information Society and Media told Der Spiegel magazine.

“Such a body stokes fears of the kind of stifling bureaucracy the United States regularly criticizes the EU of” (ibid.).

To offer an alternative - a counterweight - to U.S. Internet dominance, the EU is launching its own domain-name extension: " .eu".

Yet, perhaps the deepest issue separating Europe from America is religion.

Bonds of an Emerging Identity

A common European culture is emerging among the generation ranging from ages 15 to 40. Known as “Generation E” (or “the Nineties Generation”), it consists of college-educated young professionals who grew up in one part of Europe - Edinburgh, Madrid or Florence, for example - studied at universities in other parts of the continent—such as Oxford, Paris or Frankfurt—and are pursuing professional careers in still another section of Europe, as in Rome, Brussels or Dublin (called “the Silicon Valley of Europe”).

Increasingly, those in Generation E view themselves as Europeans first—secondarily Scots, Spaniards, Germans, Italians or otherwise. In their eyes, Europe is more than just a continent—it’s their national homeland. And English is emerging as the common language.

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A prevalent bond among these and other Europeans is their belief that religion in the public forum is archaic—and at best, explosive. Their common history, which is filled with mass brutality and bloodshed, has taught them that religion in the public sphere, mixed with fervent nationalism and national self-interests, inevitably leads to war.

According to a survey by the Pew Forum on Religion and Public Life, 59% of Americans called their faith “very important.” But only 21% of Europeans said that religion is “very important” to them; only 11% of the French, 21% of Germans and 33% of Britons feel this way (European Values Study, which tracks attitudes in 32 European countries).

The history of Europe has seen war, torture and death - all in the name of religion. Little wonder Europeans are now deeply sceptical of patriotism mixed with religious sentiment.

This is most true of Germany. Karsten Voigt, German Foreign Ministry’s coordinator on German-U.S. cooperation, explained, “The mixture of patriotism and religion is anathema and heresy in German religious life because it was misused and went too far in the past. Remember, German soldiers in World War I wore belt buckles reading ‘Gott Mitt Uns’ [God With Us]” (Christian Science Monitor).

This firm mistrust is heightened when the American president invokes religious rhetoric into his speeches, such as his 2005 inaugural address, in which he said, “America’s vital interests and our deepest beliefs are now one. From the day of our Founding, we have proclaimed that every man and woman on this earth has rights, and dignity, and matchless value, because they bear the image of the Maker of Heaven and earth” (emphasis ours).

Mr. Bush’s convictions clash with the European belief that human rights arise from the secular humanist idea that man is the ultimate norm by which values are to be determined. It is a form of naturalistic religion that places man - his human reasoning, feelings, scientific inquiry, ethical conduct - above God.

Dominique Moisi, one of France’s most respected political analysts, said that “the combination of religion and nationalism in America is frightening. We feel betrayed by God and by nationalism, which is why we are building the European Union as a barrier to religious warfare” (ibid.).

Many call this Europe-wide aggressive attitude toward religion, particularly traditional Christianity, “secular fundamentalism” - a mindset that views religion as “lifeless.” Europe’s current climate of “Christianophobia” explains why churches that once held hundreds of attendees at a time are rapidly losing adherents.

Rocco Buttiglione, whom the European Parliament blocked from becoming the European commissioner for justice because he had described homosexuality as a sin, observed the following: “The new soft totalitarianism that is advancing on the left wants to have a state religion,” adding, “It is an atheist, nihilistic religion - but it is a religion that is obligatory for all” (ibid.).

A 2004 Gallup poll revealed that 44% of Americans said they attended a place of worship once a week. In contrast, only 15% of Europeans claimed this about their religion (on average; this number varied widely among the member states).

A California man’s attempt to remove the phrase “One Nation, Under God” from the Pledge of Allegiance brought cries of foul; a poll revealed that 90% of Americans wanted to keep the phrase. Meanwhile, in Brussels, the EU capital, officials have agreed on the final text of the EU’s new Constitution, which makes no direct mention of God, despite calls from the Vatican and other voices to recognize Europe’s “Christian roots.”

Religious convictions and practices among Europeans are fading from people’s lives, only to be replaced with increasing materialism and permissiveness. Mainstream churches - especially the Catholic Church - continue to suffer dwindling membership, church attendance and influence.

Cardinal Renato Raffaele Martino, president of the Vatican’s Pontifical Council for Justice and Peace, fought a hard, but unsuccessful, battle for Christianity to be mentioned in the EU Constitution. Still troubled by Mr. Buttiglione’s treatment, and by the Spanish parliament’s moves toward legalizing homosexual marriage, he asked, “Those Roman emperors who wanted to get rid of us, where are they today? And Napoleon, he didn’t like us either. And where is Napoleon today?” (“European, Not Christian,” U.S. News & World Report).

Many recognize that there is a spiritual void - a gnawing hunger - that secularism cannot satisfy. Some are looking past today’s secular landscape and are envisioning a future when a new spiritual reawakening will arise. But how will this come to pass?

From “Military Pygmy” to “Flabby Giant”

Before the EU’s expansion to 25 members, the commander of NATO called Europe a “military pygmy.” Since then, the EU’s combined military manpower has grown to almost two million armed forces personnel - more than the United States.

Yet the same commander upgraded Europe to being only a “flabby giant,” because its troops are not united into a large, single military force. There still remains a technological gap between European forces and the U.S. military, especially in transportation, intelligence and modern weapons technology.

But the EU would rather spend funds on its burgeoning welfare programs and let the U.S. protect it from external threats. Indeed, one of the key reasons for forming the EU was to find an alternative to war. Today, European politicians and academics tend to view the use of military force as a relic held over from the era of colonialism and world-spanning empires. In their secular thinking, war is judged as a waste of time and money, and is immoral.
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Yet this thinking is bound to change as the European Union grows into an economic, political and, potentially, military juggernaut. It already possesses virtually every component necessary to be a counterweight to American supremacy. Could men, when given access to such power, deny human nature and pass up the opportunity to become the global leader in all arenas?

With 25 democratic nations each having a say in EU affairs, the government is too large and unwieldy to govern efficiently and effectively. Only when the member states concentrate on countering U.S. interests are they unified and unanimous.

Just as a corporation, a school system or church cannot be successfully governed by committee, neither can a government. Someone must be in charge - someone must take responsibility for when things go wrong - someone must captain the ship.

To become a federal superstate with supranational governance, capable of executing decisions with speed and precision, Europe must have a strong leader guiding the way.

Plans are already in the works.

Part 2: Will a Strongman Fill the Void?

Before it can assume the mantle of global pre-eminence, the European Union must face several daunting obstacles and challenges - including a drastic and startling change in government.

Europe finds itself at a major crossroads: continue on its present course and remain in America’s shadow, while flexing its diplomatic and economic muscles like a passive-aggressive giant - or take the lead role on the world stage and become a dominant superpower.

Many believe that, because it is mired in bureaucracy and is severely limited by its system of governance by committee, Europe is incapable of choosing the latter path.

Consider the numerous obstacles and challenges that the EU must face: dealing with Russia and its competing interests; the growing economic threat of a China-India trade alliance; the continual Europe-wide need for oil; the rising tide of secularism, as the Vatican repeatedly calls for Europe to return to its spiritual roots; a growing and restless European Muslim population that could one day become the majority; terrorism from Islamic extremists; deciding whether to grant Turkey, an Islamic country, EU membership - the list goes on...

Europe’s future will be determined by how it deals with these and other issues.

An Example of EU Bureaucracy

The European Union “excels” at establishing endless government regulations, in effect, micromanaging its sovereign member-states. Consider the following example. Aland, an island of 26,000 people in the Baltic Sea, is an autonomous region of Finland. For centuries, the people of Aland have hunted migrating fowl, such as wild duck. When Finland joined the EU in 1995, about 70% of Aland voters voted “yes” in their own referendum, after being assured that their hunting rights would be preserved. Yet the European Court of Justice later declared most spring hunting as illegal.

Because their island is autonomous, but considered a part of Finland, the citizens of Aland are essentially sovereign co-rulers of Finland. Therefore, they have veto-power of any international treaty that the Finnish government wants to enter - including treaties of the European Union.

Tired of being outvoted and overruled by the EU time and again - losing the right to fish at sea with traditional nets, having their spring duck hunting virtually abolished, and the European Court of Justice’s attempt to abolish the local laws on consuming “snus” (a form of chewing tobacco that has been outlawed by the EU in every nation except Sweden) - the islanders are threatening to veto the European Commission’s attempts to revive the Constitution.

Despite taking Finland to court to quash Aland’s snus law, the Commission ruled that Finland has no power to change that law; only Aland has the power to control its internal laws covering health.

Think of it! Just a single European nation (or, in this case, an autonomous region within a nation) can bring EU initiatives to a screeching halt. With all members having a say in internal affairs, how can Europe hope to become a federal superstate?

Dealing With Iran

The government of Iran claims that advancing its nuclear research program is vital to the needs of the nation’s booming population, which has more than doubled in 20 years. But Europe, along with the U.S., Israel and other nations, remains sceptical, believing that the Islamic republic is bent on becoming a nuclear power. Even Russia, China and India - Iran’s allies and trading partners - are wary of Tehran’s insistence on uranium fuel enrichment.

At first, Russia’s offer to use its own nuclear reactors to enrich Iran’s uranium was rejected, with Tehran postponing further negotiations; eventually, they reached an agreement. However, fearing possible economic or political sanctions, Iran’s deputy nuclear chief warned that the deal would be off if the International Atomic Energy Agency referred the nation to the UN. Despite these on again-off again negotiations, Moscow, like Beijing, prefers diplomacy rather than military options in dealing with Iran.

Acting on behalf of the EU, Britain, France and Germany (also called the EU3) negotiated with Iran to cease its fuel enrichment work. However, these efforts failed when talks were suspended.

In keeping pressure on Tehran, German Chancellor Angela Merkel still views diplomacy as a viable solution, but she refuses to rule out other options - thus keeping the threat of military action on the table. According to Der Spiegel, this position is threatening to fracture the chancellor’s coalition of the Christian Democrats and
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the Social Democrats, Germany’s two largest political parties. German conservatives generally believe that without the looming threat of military confrontation, Iran will never give up its nuclear ambitions. However, many members of the center-left Social Democratic Party do not support the use of force.

For now, both parties are nervously awaiting how this international situation will unfold. If the unresolved tensions between Iran and the Western nations come to a boil, Ms. Merkel could face a major internal political crisis.

Meanwhile, Iranian president Mahmoud Ahmadinejad has hinted that his nation may be considering a withdrawal from the Nuclear Non-Proliferation Treaty.

Contributing to rising tensions and the West’s growing concern of future Iranian aggression, Mr. Ahmadinejad stated that Europeans are being “held hostage” by “Zionists,” and demanded an independent investigation to look into the “truth about the fairy tale of the Holocaust” (ibid.). Further, he asked that the West “remove what they created 60 years ago and if they do not listen to our recommendations, then the Palestinian nation and other nations will eventually do this for them.” Then he added, “Remove Israel before it is too late and save yourself from the fury of regional nations.”

The Iranian leader also said that it was time for the West to bow to Allah.

What will Europe do? What kind of decisions can a committee of European leaders - all harbouring national and personal self-interests - unanimously agree to? As stated in Part 1 of this two-part series, no corporation, school system or church can successfully govern by committee. Someone must take the lead - someone must take full responsibility when things go wrong.

A Future EU Foreign Minister?
To do away with bureaucratic confusion and institutional frictions, and to establish a stronger foreign policy presence, the EU Constitution introduces the creation of a future office: EU Minister for Foreign Affairs. This individual’s role would be to represent the EU’s foreign interests and positions - to allow the 25 member-states of Europe to speak with one voice and act jointly in international affairs.

The future EU foreign minister would also be vice-president of the European Commission, responsible for external relations - development issues, human rights, foreign and security policies, etc. - and chair the Foreign Affairs Council.

To assist in carrying out the functions of this office, the EU Constitutional Treaty calls for the creation of the European External Action Service (EEAS), which would be an administrative body the foreign minister would preside over, and from which he would appoint EU ambassadors.

Issues have already arisen, such as working out and agreeing to the foreign minister’s powers and duties; deciding if he will have his own independent secretariat, or be part of the Council or the Commission; and determining whether he should be authorized to represent the EU in trade and development policy.

Suppose that this new office successfully allows Europe to carry out its foreign policy and interests speedily and effectively. Would EU leaders conclude that a similar office needs to be created - one that would handle Europe’s internal affairs?

A “Club Within a Club”
The EU requires unanimity in deciding key issues. Yet, ever since expanding to its present size - 25 nations, all desiring a say in how the government should operate - administration has become unwieldy.

For instance, EU members cannot agree as to how Europe should address the economy and high unemployment within member nations. Such division keeps the EU from effectively challenging America’s financial clout, or China’s increasing economic presence.

Belgian Prime Minister Guy Verhofstadt has offered a bold solution: The creation of an EU core. This “United States of Europe,” a name Mr. Verhofstadt has proposed, would function as a “club within a club” of the EU political machine. Only a small group of member-states bound closely together, he argues, would solve the current administrative logjam.

The model for Mr. Verhofstadt’s proposal already exists: The 12-nation single currency euro zone - Austria, Belgium, Finland, France, Germany, Greece, the Netherlands, Ireland, Italy, Luxembourg, Portugal and Spain.

“Twelve countries within the European Union have already handed control over their monetary policy to the European Central Bank. When EU finance ministers meet, the 12 ministers from the euro zone hold talks among themselves before they meet the 13 colleagues whose countries haven not (yet) adopted the euro.

“In that pre-meeting, the most important decisions for the euro zone are made - in the club of the avant-garde. And it’s a model that could conceivable be transferred from finance policy to other areas - with the euro zone core leading the way” (“European Union’s Future: A Club Within a Club,” Der Spiegel).

Both Paris and Berlin have shown interest in this proposal.
custodian of the cargo and data related to it. So how can the primary carrier be held responsible for data that is beyond their control?” asks George Kuhn, Executive Director CIFFA.

Yet, airline employees, with no knowledge of shipment details, such as the simple but mandatory postal code, are responsible for submission and correction of supplementary data that they do not possess.

“Supplementary cargo reports are required when a detailed description of goods and/or the ultimate consignee or shipper name and address are not provided on the Air Cargo Report (ACR). The air carrier has the option of filing supplementary data as part of the primary Air Cargo Report, submitting a separate Supplementary Cargo Report; or allowing the freight forwarder to submit the Supplementary Cargo Report on their behalf. In the latter case, however, the carrier is exclusively held responsible for that data!

Response messages (acknowledgement and reject notices) are sent to the originator of the message. Risk Assessment Notices requesting further information are sent to the originator (with a copy to the carrier if different from originator) so they are able to comply with any instructions issued by the CBSA. Risk Assessment Notices for air cargo reports will not be sent to the freight forwarder. Therefore, the carrier and freight forwarder must work together,” …reads the CBSA website.

Airlines, ground handling companies and freight forwarders are scrambling to develop the new processes needed to minimize delays in this new regulatory environment. Employees at airports in Canada and around the world must now be trained on the new regulations, the new processes and the new communications procedures.

With implementation a reality, participants in the air cargo industry are assessing the costs attached to the new regulations, including establishing and following procedures covering the receiving of Risk Assessment (RA) notices, notification of third parties to RA notice requirements, responding to RA notices, and the punitive penalties proposed by the CBSA.

The CBSA has proposed penalties under the Administrative Monetary Penalty System (AMPS) - after the 1st and 2nd occurrence - to reach a level of C$ 1,000.00 per supplementary submission, and without limit after the 4th occurrence. Estimates of potential AMPS penalties to Canada’s air cargo industry, as currently proposed, are in the range of $50,000,000 annually: costs that ultimately would be borne by the entire air cargo community. The penalty regime is now under review after the CBSA received a plethora of complaints and observations about the proposed levels.

IATA and FIATA members have spent countless hours in consultations with the CBSA, and with each other, in attempts to develop procedures needed to comply with the new regulations efficiently and effectively.

While both the private and public sectors clearly endorse and support the end vision, ACI Air is obviously a situation where program implementation has not yet been able to align processes and interim objectives with overall supply chain efficiency.

The air cargo industry in Canada is paying the price today in anticipation of the final vision that is universally endorsed: The seamless movement of goods and information across borders in a secure and speedy global supply chain. ☞

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Canada’s new Advance Information

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