



WORKING PAPER

**DANGEROUS GOODS PANEL (DGP)
MEETING OF THE WORKING GROUP OF THE WHOLE**

Beijing, China, 25 October to 3 November 2006

Agenda Item 6: Discussion of miscellaneous dangerous goods issues

E-FREIGHT

(Presented by D. Brennan)

SUMMARY

This paper discusses issues and opportunities which need to be explored in order to be able to:

- a) move to an electronic dangerous goods transport document; and
- b) identify what requirements need to be in place to implement paper free e-freight of dangerous goods and ultimately paperless e-freight of dangerous goods.

Action proposed is in paragraph 2.

1. INTRODUCTION

1.1 On behalf of its Member Airlines, the IATA CEO Board Of Governors has directly mandated the Simplifying the Business program (“StB”). The purpose of StB is to increase efficiency and improve the quality of service of its member airlines while simultaneously generating significant cost savings to the airline industry.

1.2 The first part of the StB program was the move to eliminate the need for paper tickets for airline passengers. This so-called e-ticketing (ET) project was developed as a way of saving money for airlines while at the same time simplifying the travel process for travel agents and passengers. 100% e-ticketing will save the industry up to US\$3.0 billion per year. The target for ET is 100% implementation worldwide by 2007.

1.3 The next component of StB component is IATA e-freight, a program that focuses on airfreight supply chain simplicity and cost-efficiency. Unlike ET, which was completely within the airlines’ control, the e-freight project is government dependant and customs driven.

1.4 The IATA Board of Governors believe there is a pressing need, and opportunity, to improve the efficiency and cost effectiveness of the air cargo supply chain. Today, the air cargo industry still almost exclusively relies on paper-based processes to support the movement of freight. The average shipment (MAWB) generates more than 30 documents that are used and/or handled by the various parties involved — shippers, freight forwarders, handling agents, export and import brokers, airlines, and last but not least, customs and other government authorities.

1.5 The long-term vision for the industry should be to eliminate the need to produce and transport all paper for all stakeholders. This is **Paperless e-freight and e-customs**. Paperless, therefore, is defined as no requirement to produce or transport any paper documents for any purpose at any time (primary and secondary process).

1.6 Achieving full paperless will require broad changes in industry processes, definition of new standards in several areas (including but not only electronic exchange of information) and most likely, significant investments in technology. In addition, and most importantly, full paperless e-freight will require sweeping changes in regulatory and legal environments, at industry, government and international levels.

1.7 Therefore, the Board has set the following mandate for IATA: to drive the industry not towards a full Paperless environment, but a Paper Free environment. In a Paper Free environment, the industry, customs and other government authorities rely not on paper documents, but on the electronic exchange of information, to facilitate the movement of freight. However, paper documents may still need to be printed at various steps of the process by some parties, for various reasons (including, but not only, regulatory or legal). This is **Paper Free e-freight** and is the focus of the IATA e-freight project.

1.8 Paper Free, therefore, can be defined as an environment in which industry does not need to transport paper in parallel with the freight, but there may be a requirement to produce this paper in original, copy or printed e-document form for some authority or process.

1.9 The initial scope of e-freight will only involve general freight. This has a target of 2007 for countries that have already established the legal framework to implement electronic customs clearance. The number participating will be expanded as they adopt the necessary treaties. However, the longer-term objective is to be able to expand e-freight beyond general cargo into ‘special cargoes’ such as dangerous goods.

2. ACTION PROPOSED

2.1 The note at the beginning of Part 5, Chapter 4 of the Technical Instructions:

Note.— These Instructions do not preclude the use of electronic data processing (EDP) and electronic data interchange (EDI) transmission techniques as an aid to paper documentation, unless otherwise indicated.

2.2 However, Part 7;1.1.2 then requires that:

1.1.2 An operator must not accept for transport aboard aircraft a package or overpack containing dangerous goods ... unless it is accompanied by two copies of the dangerous goods transport document or, where permitted, by the alternative

documentation. One copy of the document must accompany the consignment to final destination ...

2.3 These requirements clearly preclude the IATA “Paperless e-freight” vision for dangerous goods consignment, although it could be argued that it may be possible to implement “Paper free e-freight” for dangerous goods.

2.4 The purpose of this paper is to explore the issues and opportunities in being able to move to an electronic dangerous goods transport document and identify what requirements need to be in place to implement Paper free e-freight of dangerous goods and ultimately Paperless e-freight of dangerous goods.

2.5 Based on the comments and opinions expressed by the Panel it may be appropriate to convene an ad hoc working group to develop the requirements under which dangerous goods could be transported without the need for a paper dangerous goods transport document. This is something the Panel may consider in this biennium or for the 2008-2009 biennium.

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