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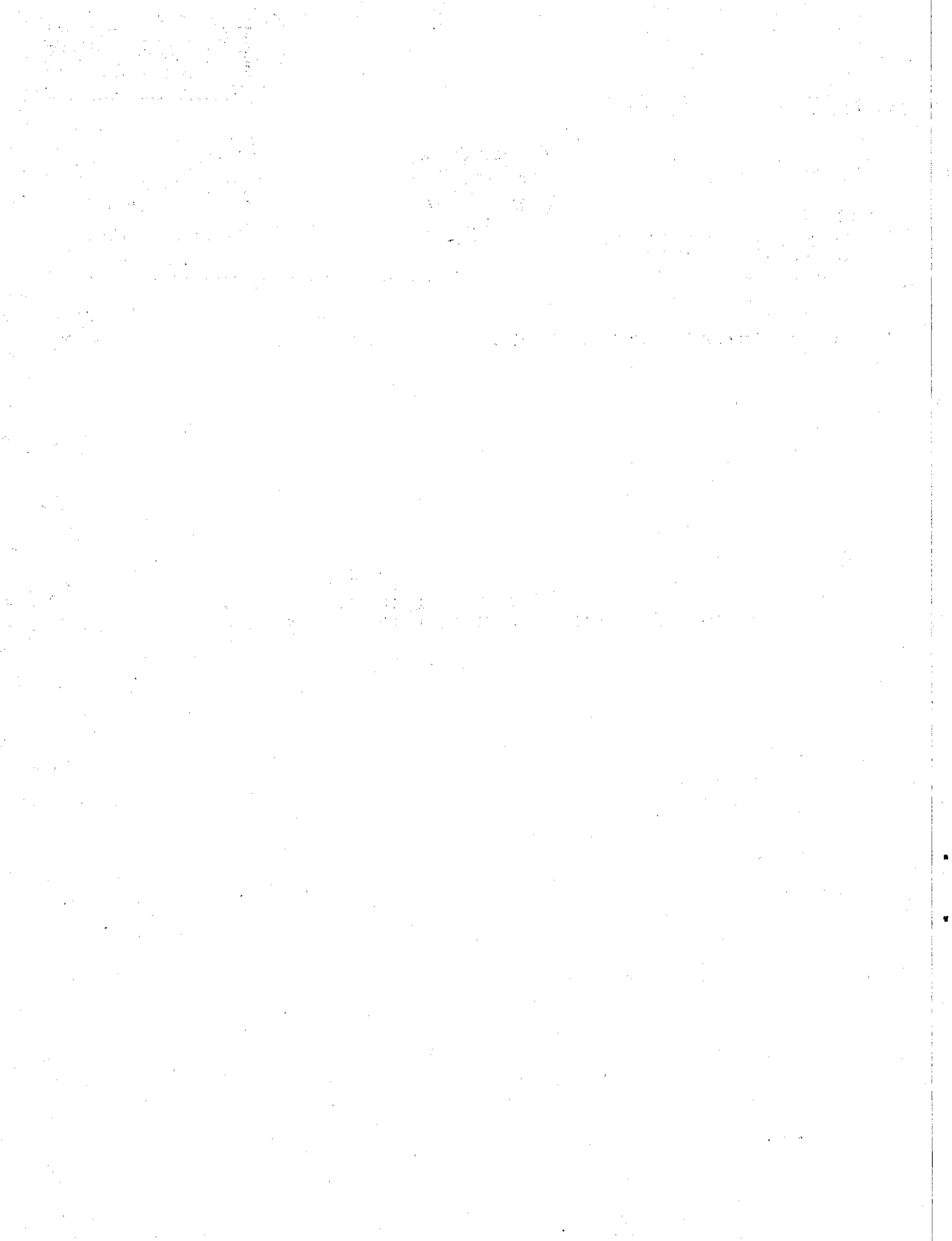
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Economic Commission for Latin America

INTEGRATED TRANSIT SYSTEM
FOR BOLIVIAN GOODS TRANSSHIPPED THROUGH THE PORT OF ARICA



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I. INTRODUCTION

At the seventh meeting of the Bolivian-Chilean Joint Commissions on Transport and Harbours, held in La Paz from 2 to 4 September 1974, the two delegations agreed to request that the United Nations Economic Commission for Latin America (CEPAL) carry out a study aimed at "rationalizing the systems of physical flow and documentary procedures of cargo in transit" across Chilean territory to Bolivia. Such a study was urgently needed to identify means of facilitating the movement of goods imported into Bolivia through the port of Arica, which were tending to accumulate in the port area faster than they could be shipped on to their final destination.

When this request was formalized by notes from the respective Ministries of Foreign Relations, the Executive Secretary of CEPAL at once sent a fact-finding mission to Arica and La Paz to investigate the problem. It was soon determined that movement would be greatly facilitated if goods could simply be transhipped through the port on their way to Bolivia, rather than first being imported into Chile and then reexported. It was also found that the Bolivian and Chilean authorities were highly receptive to proposals for the rationalization of operations. Thus, by the time the mission had concluded its investigations in La Paz, it had already formulated a set of preliminary recommendations for an Integrated Transit System (ITS) that was subsequently implemented in the port of Arica as of 1 August 1975 and then extended in April 1978 to the port of Antofagasta, the second major transit gateway through Chile to Bolivia.

The ITS is basically a set of carefully devised procedures for handling documentation associated with the unloading, temporary storage, reloading and dispatch of goods in transit to Bolivia, and for managing these operations in systematic fashion. Its implementation did not require any investment in equipment of infrastructure, nor did it require the setting up of any new administrative agency. It made use of virtually every physical component of the preexisting process except for some of the documents, which were redesigned in conformity with the new procedures, and a number of private customs agents, whose intervention was no longer necessary. It did not even

/make substantial

make substantial changes in the way cargo is handled. It was implemented almost entirely by restructuring existing procedures and relations among agencies to achieve a logical, efficient scheme of operations.

If transshipment is to proceed with a minimum of delay, the onward movement of goods must be almost wholly automatic. Such was not the case before the ITS was set up. Under the old procedures, it was necessary to arrange for customs clearance from Chile and to pay all port charges and rail freight costs for the Chilean portion of the Arica-La Paz railway prior to dispatch. These processes in themselves occasioned considerable delay. The private customs agents that usually acted as intermediaries for the consignees often added to the delay by waiting until they had accumulated a sufficient number of consignments to fill a rail wagon before initiating the paper work required for transit.

Under the ITS the consignee no longer requires the services of a private customs agent. He deals solely with the Bolivian government's Autonomous Customs Warehouse Administration (AADAA), which has assumed the functions of these agents in addition to its role as custodian of Bolivian imports, both in Arica pending dispatch and in Bolivia pending completion of Bolivian customs formalities. AADAA clears the consignment with the Chilean Customs, whose only interest in Bolivian goods is to ensure that they are not diverted for use within Chile, and pays port and rail charges. It then invoices the consignee for these charges as well as its own services. These arrangements leave it free to dispatch cargo to Bolivia, in the order received, as fast as rail wagons are available.

The simplification of transit procedures under the ITS has resulted in a substantial (although to date unfortunately not quantified) reduction in the cost of importation. These savings are shared by all concerned: the consignee, and the Bolivian and Chilean governments. The port warehouses reserved for Bolivian goods, overflowing on 1 August 1975 when the new system went into effect, are now not congested even when a ship has just finished unloading. Damages to goods in the port have been minimized with the first-in-first-out handling permitted by automatic dispatch, as they are seldom touched from the moment they enter the warehouse until they are removed for loading.

CEPAL's role in setting up the ITS has been substantially more than that of a mere investigator. It has served as a catalyst in bringing together the various Bolivian and Chilean governmental agencies that must work in harmony within the framework of the system. It also assisted in overcoming the doubts of one liner conference serving the Bolivian trade concerning the legal implications for the shipping lines of their no longer being able to land goods against an original bill of lading, which was eliminated from the ITS documentary procedures in Arica.

The ITS is far from being an isolated instance of CEPAL's activities in behalf of the facilitation of transit, which have included close collaboration with the Latin American Railways Association to prepare and obtain ratification of a convention covering multinational rail freight transport in the southern portion of South America, and with the Latin American Free Trade Association to develop a set of common norms for customs procedures. Nor is CEPAL an isolated case of United Nations concern for freedom of transit. As far back as 1921, the League of Nations was instrumental in formulating the Convention and Statute on Freedom of Transit (the Barcelona Convention), which for over 40 years set the minimum standards for international agreements on transit. In 1947, the General Agreement on Tariffs and Trade reaffirmed the principle of this Convention. The 1965 Convention on Transit Trade of Land-Locked States did the same, and recommended that the regional economic commissions of the United Nations assist in furthering transit trade whenever requested to do so by member states. It is within this long tradition of United Nations involvement that CEPAL developed the concepts incorporated into the Integrated Transit System.

/II: BACKGROUND

II. BACKGROUND

The port of Arica, the northernmost city in Chile, is one of Bolivia's three most important gateways to the Pacific Ocean for international trade.^{1/} Its vital role in Bolivian affairs is further emphasized by the fact that it is situated at the point where Bolivia's western frontier lies closest to the Pacific Ocean, some 125 kilometres distant. Thus Bolivia is permanently concerned with maintaining the effectiveness of its transit rights for trade through Arica.

1. Historical perspective

The bases for the Integrated Transit System were established on 20 October 1904, with the signing of the "Treaty of Peace and Friendship":

"Article 6. The Republic of Chile recognizes in favor of the Republic of Bolivia, and in perpetuity, the fullest and most unrestricted right of commercial transit through its territory and ports on the Pacific.

"Both Governments will make, in special acts, the necessary regulations to insure, without prejudice to their respective fiscal interests, the above-mentioned purpose.

"Article 7. The Republic of Bolivia shall have the right to establish customs houses at such ports as it may select for carrying on its trade.

"For the present, it selects as such ports for its trade Antofagasta and Arica." ^{2/}

The treaty furthermore provided for the immediate construction by Chile of a railway from Arica to La Paz, the Bolivian section of which was to revert to the ownership of that country after a period of 15 years. Completed in 1913, this line remains the principal transport link between the two cities and constitutes a key component of the ITS.

The guarantee of free transit was reiterated in the Trade Convention of 6 August 1912, which states:

^{1/} The others are Antofagasta, Chile, and Mollendo, Peru.

^{2/} República de Chile. Diario oficial, number 8,169, 27 March 1905.

"Article 1. The Government of Chile, in conformity with article 6 of the Peace Treaty of 1904, guarantees the free transit through its territory of foreign goods disembarked with Bolivia as their destination, or which, coming from that country, are embarked for foreign destinations through all the major ports of the Republic." ^{3/} Bolivia's transit rights were reinforced by the convention of 16 August 1937, which specifically guarantees the fullest and freest transit for any type of goods whatsoever, and also stipulates the procedures for reception, redispach and conveyance that were in force with only minor variations until the introduction of the ITS.

2. Physical setting

Implementation of the transit rights granted by Chile to Bolivia has always been dependent on the available physical infrastructure. As will be described in section 3, conditions in the port and on the railway played a significant part in creating the situation that the ITS was designed to alleviate, and still affect the present operations of the system.

(a) Port of Arica

The port of Arica occupies a slight indentation on the northernmost coast of Chile, about 20 kilometres south of the Peruvian border. It is not a natural harbour, and indeed until recently it possessed berthing facilities for only a single, shallow-draft coastal vessel. Ocean liners had to rely on lighters to land their cargoes at a small finger pier.

In 1961, a major expansion project was undertaken to provide a new pier with sufficient depth alongside to handle liner vessels. An L-shaped breakwater was constructed with one 450-metre leg extending outward from the shore and the other 600-metre leg running approximately parallel to the shore. Six marginal berths occupy the inner side of the breakwater, numbers 1 to 3 on the shorter leg and 4 to 6 on the longer. The latter three have a maximum permissible draught of 34 feet. Storage is available in five warehouses (two of which, numbers 5 and 6, are designated for goods in transit to Bolivia), six open yards for oversize and other goods not requiring or unsuitable for closed storage, and one container area.

^{3/} República de Chile. Diario oficial, number 10,871, 15 May 1914.

(b) Arica-La Paz railway

One of the principal provisions of the Treaty of 1904 concerned the building of a railway from Arica to La Paz in order to make effective the transit rights granted in that agreement. As a supplementary measure, on 27 June 1905 the Governments of Bolivia and Chile signed a convention that laid out in detail the conditions and obligations of each part with respect to both the construction and the subsequent operation of the line. A call for bids was issued on 14 August 1905, and construction of the one-metre gauge line was begun in Arica on 5 September 1906. However, due partly to the difficult terrain and partly to a series of other problems, the contractor was unable to continue, so the contract was liquidated on 3 August 1907. The Chilean government then commissioned a series of studies to see if the route could be improved, but only marginal changes were found to be feasible. In the meantime, work continued by administration until 1 July 1909, when construction by contract was renewed. Service was finally inaugurated on 13 May 1913.

The entire railway remained under the administration of the Chilean government until 13 May 1928, at which time the Bolivian government took over its section according to the terms of the Treaty of 1904. This portion of the line is now integrated into the regular operations of the Bolivian State Railways.

The route from Arica to La Paz is marked by extreme contrasts of topography. Starting from sea level, it climbs the Pacific scarp of the Andes mountains to an altitude of 3,733 metres in a distance of only 112 kilometres, the last 39 of which were originally laid with a rack to enable cog-equipped locomotives to negotiate grades of up to six per cent. Beyond this point, the climb continues at a sharply reduced rate to a maximum altitude of 4,257 metres at kilometre 183. The final 23 kilometres of the Chilean section, together with the 251 kilometres of the Bolivian section, cross the Andean "altiplano" (high plain) through terrain that varies from gently rolling to virtually flat at an average elevation of 4,000 metres.

As noted, steam locomotives needed cog wheels to permit them to climb the steepest section of the route. With the advent of diesel locomotives, it was determined that simple adhesion would suffice if gross trailing tonnage

/was not

was not excessive. Thus the rack is no longer used. However, diesel locomotives must be equipped with turbochargers to permit them to function efficiently at the higher altitudes.

(c) Roads

The road system connecting Arica to Bolivia is relatively underdeveloped, but it has nonetheless had a significant impact on the ITS. The route most commonly used follows the Pan-American Highway for 56 kilometres north to Tacna, Peru, before turning inland over a secondary road for 321 kilometres to Ilave, Peru, on the shores of Lake Titicaca; from there it runs 95 kilometres southeast to the Bolivian border and finally 114 kilometres eastward to La Paz. Except for the Arica-Tacna section, the entire road has a gravel or earth surface.

Both the length and the condition of this route compare unfavourably with the railway. Another, potentially much better route runs directly from Arica to La Paz. On the Chilean side, the road was once completely paved and is still in relatively good condition, but in Bolivia it is unimproved and impassable during wet weather. Truck traffic thus tends to prefer the longer but surer road through Tacna, despite the added complication of Peruvian transit formalities that this entails.

3. Dispatch procedures prior to ITS

For 60 years after the completion of the railway, institutional procedures for dispatching goods in transit to Bolivia were developed largely on an ad hoc basis within the general framework of applicable treaties and agreements between the two countries. At the time the ITS was introduced, responsibility for carrying out these procedures was shared among agents of the shipping lines serving the port, the Chilean State Port Company (EMPORCHI), the Bolivian Autonomous Customs Warehouse Administration (AADAA), private customs agents in Arica, Chilean Customs, Bolivian Customs, the Bolivian consul in Arica, the Chilean section of the railway, and the Bolivian State Railways.

Each day, shipping agents, the railway and EMPORCHI would hold a meeting in the latter's programming office to plan the following day's port activities. These consisted principally of unloading whatever ships were

/tied up,

tied up, classifying the cargo, receiving it in warehouses and yards, and loading rail wagons. Once the tasks were decided upon, EMPORCHI assigned to them its physical resources such as berthing space, cranes, loaders and labor gangs.

The particular responsibilities and functions of each participant in the transshipment process are described below.

(a) Shipping agents

The agent for a shipping line informed all interested parties in advance of a ship's arrival. He then arranged for stevedores to handle the cargo and tally-keepers to check it, both in the hold and on the wharf. When the goods had been transferred to the warehouse or yard designated for goods in transit to Bolivia and there classified by bill of lading, the agent made out a receipt for them indicating the number of units of cargo, marks and any loss or damage. This receipt was signed by the agent to signify delivery of the goods, by the AADAA warehouseman to signify their acceptance, and by a representative of EMPORCHI to verify the condition in which they were delivered.

(b) Chilean State Port Company

EMPORCHI transferred the goods from the wharf to a warehouse or yard for storage, or loaded them directly on a rail wagon. If the goods were stored in the port, EMPORCHI also removed them from the warehouse or yard and loaded them on a wagon. In addition, EMPORCHI under authority delegated by the Chilean Customs, was required to certify the removal of goods from the port area.

(c) Bolivian Autonomous Customs Warehouse Administration

On behalf of the Bolivian Customs, AADAA represented Bolivia's interests in the handling and custody of goods in transit by authorizing and controlling the loading of rail wagons at the request of the private customs agents. AADAA itself also served as a customs agent in its dealings with the Chilean customs authorities.

(d) Private customs agents in Arica

Owing to the lack of any direct agreement between the two governments to permit Bolivian importers to pay for Chilean transit services in opportune and automatic fashion, a number of private customs agents set up business in

/Arica to

Arica to act as intermediaries for this purpose. In addition to advancing payment for port services and rail freight charges, they arranged with the Chilean Customs for transit permits and with the railway for wagons. If EMPORCHI at any moment did not have sufficient personnel to load the wagons, they contracted the private stevedoring union to do the job. The agents thus served as a link between the consignees and the various agencies concerned with the physical handling of the goods during transit operations.

(e) Chilean Customs

Although it had delegated to EMPORCHI the physical custody of goods in transit, the Chilean Customs maintained final authority over them and so had to certify that they left Chilean territory in the same quantity and condition in which they arrived. To this end, the Customs closed out each ship's manifest provisionally against the transit documents issued for the consignments listed in the manifest, and finally against the railway manifests returned as arrival notifications by the Bolivian Customs.

(f) Chilean section of the railway

The railway received the goods aboard its wagons, certified their quantity, weight and condition and issued a waybill, the original of which was handed to the customs agent for delivery to the consignee in Bolivia. The railway also made up a manifest for each wagon for use by the Bolivian Customs at the border. The railway's responsibility extended from the moment the goods were received aboard the wagon until the wagon was accepted by the Bolivian National Railways.

(g) Bolivian National Railways

The Bolivian National Railways took receipt of the wagons at the border and, after Bolivian Customs had checked their seals, moved them on to the AADAA's warehouses at the location indicated on the waybill.

(h) Bolivian Customs and Bolivian Consul in Arica

The Bolivian Customs maintained a representative in Arica, who together with the Consul had to stamp various documents relating to transit operations.

4. Problems that led to the ITS

By 1975, delays in the dispatch of goods to Bolivia were causing a serious degree of congestion in the port. These delays were the result of two basic problems in the transit process. One concerned the physical capacities of the port and the railway, with which the ITS could deal only in part. The other was a product of the dispatch procedures themselves, which the ITS was specifically set up to improve.

(a) Problems of capacity

Capacity problems in the port and on the railway could be attributed both to an insufficiency of equipment and - in the case of the railway - to operational difficulties. With respect to the port, most pieces of mechanized handling equipment such as fork-lift trucks were old and hard to maintain, so that despite a good maintenance programme, they were frequently out of service at critical moments. Other types were inadequate in number or size for the service they were called upon to perform. Although the ITS was expected to compensate for these inadequacies to a limited extent by rationalizing equipment utilization, a complementary programme of equipment renewal was considered imperative.

The situation of the railway was significantly worse, due to a low rotation rate for wagons between Arica and Bolivia, and to a shortage of locomotives on the Chilean section. In October 1974, the average rotation period for boxcars and flatcars was 23 and 28 days, respectively. It was believed that periods of 12 to 15 days were achievable, which would have permitted a monthly dispatch rate of some 800 carloads. This would have been adequate for shipments of up to 16,800 tons per month to Bolivia, enough for the heaviest demands of that year. However, such an improvement was beyond the scope of the ITS, since for the most part delays in wagon loading in the port were minimal.

An even more difficult situation was evident in the case of locomotives. Given the number and types available for climbing the steepest portion of the line, only two trains per day could be run, each with approximately 360 net tons of freight. This figure was compatible with a dispatch rate of close to 17,000 tons per month, provided that loading was performed at the maximum rate every day. If fewer wagons were loaded in any one day,

/the tonnage

the tonnage could not be made up the next day due to the above-mentioned line-capacity limitations. Thus it was necessary to store any excess until such time as normal fluctuations in imports brought quantities to be dispatched below the available daily maximum train tonnage. Again, any improvement in capacity was beyond the scope of the ITS, but as will be seen, the automatic dispatch feature of the system did make possible the best utilization of existing capacity within these limitations.

(b) Problems of dispatch

The main problem that the ITS was intended to alleviate concerned the manner in which dispatch was initiated. The consignee was first required to endorse an original bill of lading to one of the private customs agents in Arica. Upon receipt of this document, the agent could notify AADAA to dispatch the goods, but he often waited to do so until he had accumulated the bills of lading for enough consignments to fill an entire rail wagon.

This procedure had two defects. One was that requests to initiate dispatch were unpredictable, so that no relatively long-term programming of wagon loading was feasible. The second was that the random order in which consignments were loaded meant that it was necessary to search through and handle numerous bundles stored in the warehouses in order to locate those forming part of the shipment in question, a costly, time-consuming task that not infrequently resulted in damage to the goods. It was also evident that complications in the paperwork required for transit clearance contributed significantly to obstructing the dispatch of goods to Bolivia. This was directly contrary to the spirit of the Treaty of 1904 and subsequent conventions and agreements, which supposed that transit would be a simple act of transshipment.

Defects in the transit procedures had been noted and deplored long before the Integrated Transit System was proposed. Numerous studies and suggestions for improvement had been made over a period of more than 20 years, but none had treated the procedures as a system whose functional relations had to be identified and rationalized. Furthermore, it had never been possible to obtain a consensus on what should be done to improve procedures. The situation was simply allowed to deteriorate gradually to a critical point where transit was on the verge of breaking down altogether.

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By the end of 1974, a great backlog of undispached goods in transit had accumulated in the two warehouses in the port of Arica assigned to AADAA. Despite their total area of 5,400 square metres, neither was capable of receiving further goods without blocking access to goods already stored and awaiting shipment. A third warehouse had to be pressed into service temporarily to accommodate the overflow. Thus it was not surprising that the Bolivian and Chilean authorities which met in Arica from 12 to 15 May 1975 to evaluate CEPAL's proposed Integrated Transit System should have desired its immediate implementation. They agreed that it should be inaugurated in Arica on a trial basis as of 1 August of that same year. If successful, it was to be extended at a later date to the port of Antofagasta.

/III. INTEGRATED

III. INTEGRATED TRANSIT SYSTEM

1. Objectives and characteristics

The Integrated Transit System was conceived to meet the following objectives:

- "1. Fulfill faithfully the spirit and letter of the Treaty of 1904 and the succeeding regulatory conventions, so that the port of Arica may be a mere transshipment point between maritime and land modes for cargo in transit to Bolivia.
- "2. Reduce transit time as well as damages and loss of cargo.
- "3. Promote the opportune usage of the transit system's physical resources.
- "4. Take advantage of the storage capacity in the port of Arica to rationalize the transfer of cargo between transport modes that differ greatly in their unit capacities, and to regulate the flow of goods for individual importers in Bolivia.
- "5. Establish clearly the responsibility corresponding to the ships, to the port and to the land modes for damages and loss of cargo in order to reduce the costs of cargo insurance.
- "6. Ensure that cargo entering the port of Arica in transit to Bolivia actually leaves Chile." 4/

By treating transit procedures as a system, it was expected that cause and effect relationships could be established that would permit identification and quantification of the difficulties experienced by all the various participants in the procedures, and thus assign to each its real role and responsibilities in relation to the others. At the same time, the introduction of a systematic flow of information between participants would make it easier to detect - and where possible, resolve - potential capacity bottlenecks before they could seriously affect the smooth functioning of the system. The ITS therefore incorporated the following characteristics:

4/ Estudio de facilitación del tránsito de mercadería con destino a Bolivia a través del puerto de Arica. E/CEPAL/L.116, p. 8.

- "1. Conception as an all-inclusive transit system that clearly defines the functions and responsibilities of each participant, with emphasis on the co-ordination of the various units at every step. It likewise clearly establishes the information necessary for correct evaluation of the system and its components, and the corresponding control to correct deficiencies in its functioning.
- "2. Automatic transshipment of goods in the port of Arica without waiting for or requiring the arrival of the original bill of lading endorsed by the consignee.
- "3. Centralization of decisions related to the dispatch of goods, which will allow port and rail resources to be utilized in the most efficient manner, and also ensure the necessary co-ordination in the decisions of the various units. Nonetheless, if an importer does not wish his cargo to be dispatched immediately, or if he desires it to be shipped to a destination other than that indicated in the ship's manifest, he may give the corresponding instructions.
- "4. Simplification of documentation through the use of a single layout for the preparation of five documents with uniform basic information and with adequate space for annotations to be added in the course of the process." 5/

2. System co-ordination

The design concept of the ITS did not contemplate the setting up of a new agency to take over functions previously exercised by the various autonomous organizations of the two governments. Rather, it proposed a redefinition and streamlining of those functions to permit the existing organizational structure - with the exception of the private customs agents - to handle dispatch operations efficiently. In order to ensure the effective application of the system without creating a new level of bureaucracy, the daily consultations already being carried out were formalized by the creation of an Information and Co-ordination Centre (ICC) to be staffed by one representative from AADAA, one from EMPORCHI and one from the railway,

5/ Ibid., p. 9.

together with an agent of the Bolivian National Chambers of Commerce and Industry in representation of the consignees. The responsibilities of the ICC are as follows:

- "1. Co-ordinate and control the functioning of the ITS, with a view to providing participants in the system with a composite picture that will permit the discovery of the weakest links in the chain and the finding of the most rapid and adequate means to reinforce operations wherever necessary;
- "2. Programme the dispatch of goods and authorize requests for preferential dispatch that break the established order of precedence;
- "3. Perceive instances of non-compliance with the regulations of the ITS, in order to determine the advisability of introducing modifications in these regulations;
- "4. Provide official information about the situation of goods received, dispatched and awaiting dispatch." 6/

3. Dispatch procedures

For any given consignment handled within the scope of the ITS, dispatch procedures begin some time before the arrival of the ship that brings it to Arica, and continue until the documentation for the consignment originated by the system has been transmitted to Bolivia.

(a) Prior to arrival

Procedures are initiated by the agent for the shipping line when he delivers the ship's manifest and its stowage plan to the ICC. This information is used to determine the disposition of the goods during unloading. To the extent that the nature of the goods and the availability of rail wagons permit, discharge is made directly from ship to wagons; otherwise, the goods are stored temporarily in a warehouse or yard pending dispatch. This determination is made during the ICC's daily programming meeting, at which time resources are assigned to the various tasks to be accomplished the next day, including unloading, direct dispatch, storage and delayed dispatch. Special requests for advanced dispatch or additional delays in storage are also considered at that time.

6/ Informe sobre la aplicación del sistema integrado de tránsito de mercancías con destino a Bolivia a través de Arica. E/CEPAL/L.116/Add.1, p. 5.

The manifest is delivered in three copies. Two are given to the Bolivian and Chilean Customs, respectively, while the third is used by AADAA to draw up - for each consignment - a set of aligned documents (see the appendix) consisting of the following:

1. Port receipt
2. Loading form
3. Claims report
4. Exit permit
5. Invoice (AADAA)

All documents contain certain basic information in common. In addition, each has space reserved specifically for noting data relevant to the corresponding step of the transit procedures.

(b) Discharge

The shipping agent contracts for the stevedoring of the cargo and for its tallying both in the hold and on the wharf. During discharge, a representative of AADAA inspects the goods and describes in writing the condition in which they have arrived. When the goods have been landed, EMPORCHI separates Chilean consignments from those bound for Bolivia, and further classifies the latter according to whether they have been programmed for temporary storage or for immediate loading on rail wagons for direct transshipment.

(c) Direct transshipment

When immediate loading has been specified, the wagons are spotted on the wharf before discharge begins. If any units of cargo show signs of damage or loss, a special procedure must be followed that includes an inventory of the goods and repair of the packaging. Otherwise, EMPORCHI proceeds to load and seal the wagons.

AADAA and the railway check the loading and take note of the number of units and their condition in order to complete and sign the loading form. Simultaneously, the shipping agent, working through his contracted tally-keepers, uses the same information to fill out the port receipt, which he signs after validation against the tally book to indicate delivery of the goods. If no freight or general average charges are pending on them, they are then entirely at AADAA's disposal. If charges are still due, the port receipt

/is stamped

is stamped to reflect this fact and AADAA gives the shipping agent a letter of guarantee that the goods will not be handed over to the consignee until the outstanding amount has been paid. In either case, AADAA signs the receipt to indicate acceptance of the goods. Both the loading form and the port receipt are signed by EMPORCHI to certify its intervention in the operation.

One copy of the port receipt is sent to EMPORCHI's control desk for recording of the operations and services performed. A copy of the rail loading form is sent to the railway's station master for use in preparing the rail waybill. From the copy of the loading form remaining in its possession, AADAA transfers any observations on the condition of the goods to the exit permit. If conditions warrant, AADAA also makes up a claim report for submission to the shipping agent. After checking his copy of the port receipt against the ship's manifest and his tallies, the agent notes his own observations on the back of the claim report and returns it to AADAA for transmittal to the consignee.

(d) Indirect transshipment

If temporary storage of the goods has been programmed, EMPORCHI transfers them to the assigned warehouse or yard unless they show signs of damage or loss, in which case they are submitted to a special procedure of inventory and repair of the packaging. In the storage area, the goods are classified according to marks by EMPORCHI, under the supervision of AADAA and a tally-keeper contracted by the shipping agent. The tally-keeper fills out the port receipt with the marks and numbers of cargo units, weight of the goods, location in the storage area and any pertinent observations, and signs it on behalf of the shipping agent. As in the case of direct transshipment, AADAA hands the agent a letter of guarantee if freight charges are pending on the goods, after which the agent gives the port receipt to AADAA. The receipt is signed by both AADAA and EMPORCHI.

One copy of the port receipt is sent to EMPORCHI's control desk. If the condition of the goods warrants, AADAA uses its copy to prepare a claim report for submission to EMPORCHI. After checking its own copy of the port receipt, EMPORCHI replies with a statement on the back of the claim report, which it returns to AADAA for transmittal to the consignee.

/Once the

Once the order for dispatch has been given, EMPORCHI removes the goods from the storage area, loads them on wagons, and seals the wagons when full. During loading, AADAA and the railway note the number of cargo units and their condition on the loading form, which is signed by EMPORCHI in proof of delivery, by AADAA in proof of receipt, and by the railway as intermediary. One copy is sent to the station master for use in preparing the rail waybill. Another copy, from which any observations are transferred to the exit permit, is retained by AADAA.

(e) Goods with observations

In the case of either direct or indirect transshipment, any cargo unit showing signs of damage or loss is taken to an enclosure called the "hospital", where an inventory of the contents is made by AADAA and by a tally-keeper in representation of the shipping agent. After both have signed the inventory, a copy is placed within the cargo unit, which is then repaired and sealed. All observations are noted on the port receipt corresponding to the consignment in question.

(f) Procedure for authenticating the exit permit

After transferring any observations to the exit permit, AADAA sends it to EMPORCHI's control desk, which notes on it all services rendered and passes it on to the settlement office. The latter calculates the costs of these services, includes them in the document, and also adds them to EMPORCHI's weekly invoice to AADAA for payment. The exit permit is returned to the Information and Control Centre, where AADAA completes it with data from the loading form. It is then signed jointly by AADAA, the railway and EMPORCHI to signify that the goods are authorized to be removed from the port area. One signed copy is sent to the Chilean Customs to permit the provisional closing out of the ship's manifest. Another copy is used by the ICC to update its records of goods in transit to Bolivia.

(g) Departure procedure

A set of signed copies of the exit permits for all the consignments included in a wagon serves as authorization for the railway to remove that wagon from the port area to the scale. The weight and the information from the loading form are used by the station master to prepare a waybill, the original of which is sent to AADAA. Freight charges are invoiced to AADAA weekly.

From the waybills for all the wagons that will make up a train, the railway formulates a train manifest that must be stamped by the Bolivian consul in Arica. The wagons are then moved to the border, where the Bolivian Customs inspects them, confirms that the documentation is in order, and signs and stamps a copy of the manifest. This copy is delivered by the railway to the Chilean Customs for the final closing out of the ship's manifest.

When the wagons have cleared Bolivian Customs, Bolivian National Railways moves them to the AADAA warehouse at the destination indicated on the waybill. From that point, all procedures related to customs clearance of the goods are strictly national in nature.

(h) Payment of transit charges

AADAA uses data from the exit permit, the waybill and records of its own expenses to make out the single invoice presented to the consignee for payment of transit charges. This invoice, together with copies of the exit permit, the waybill and the claim report, is sent to the AADAA agency at the destination of the goods. Transit charges and any pending ocean freight charges must be paid before the consignee can take possession.

4. Dispatch by truck

The ITS was designed as a rail-based system. Truck transport from Arica to Bolivia must follow routes that for many kilometres are little more than unimproved dirt tracks, often impassable in wet weather and unable to accommodate vehicles pulling trailers. Transport costs are consequently higher than by rail. Furthermore, arrangements for trucks must be made by the consignee before dispatch proceedings can be initiated. Automatic dispatch, which is fundamental to the correct functioning of the ITS and is indeed the principal problem the system was intended to overcome, is thus made impossible.

For a number of reasons, however, truck transport is occasionally employed, especially when the railway experiences difficulties that it cannot immediately resolve. Such was the case shortly before the ITS went into operation, when a series of accidents on the Chilean section virtually shut it down. In an effort to obtain their goods as quickly as possible, many consignees contracted for transport by truck, which resulted in a number of complications for all concerned with the dispatch procedures - especially AADAA - just as they were

/trying to

trying to institute the new system. Fortunately, the ITS was conceived with sufficient inherent flexibility to permit its adaptation to circumstances for which it was not intended.

5. Potential problems

From the outset, it was recognized that certain potentially negative features were inherent in the ITS. Those associated with the legal implications of eliminating the bill of lading from the system, the payment of ocean-shipping charges pending, delays in the dispatch of transit documents to the consignee, and the monopoly position of AADAA were given special consideration in an attempt to minimize their impact.

(a) Bill of lading

CEPAL initially believed that the shipping lines might be liable for legal action against them if they did not land their cargoes against original bills of lading, which under the ITS are not required for dispatch and hence are never sent to Arica at all. However, a close study of the International Convention for the Unification of Certain Rules Relating to Bills of Lading (The Hague Rules) disclosed no obligation to land only on presentation of the bill of lading. Moreover, most bills of lading contain a disclaimer similar to the one traditionally used by the Grace Line:

"All responsibility of the Carrier in any capacity shall altogether cease and the goods shall be considered to be delivered and at the risk and expense of the consignee when delivered to lighters or other craft or put into possession of customs or other authorities, or on public dock, or in public warehouse, the customs or other authorities or persons taking possession of the goods being deemed to have taken delivery thereof as agent of the shipper, consignee, holder hereof and owner of the goods."

In other words, the shipping line's legal obligations end when it hands the goods over to the competent authorities in the port of discharge, which it does automatically without being presented with a bill of lading.

(b) Payment of charges pending

Further investigation into the role of the bill of lading revealed that its real function in landing formalities, as far as the shipping line is /concerned, is

concerned, is to provide a device whereby the line may secure payment of any freight charges or general average claims pending on a consignment.^{7/} As a courtesy extended to the lines for this purpose, Chilean Customs regulations require the consignee to present an original bill of lading stamped by the shipping agent in order to obtain customs clearance. In the case of cargo in transit to Bolivia, therefore, importers traditionally endorsed the bill of lading to one of the private customs agents in Arica, who in turn had to clear it with the corresponding shipping agent. The latter would not stamp the document if any charges were pending, so the consignee was unable to obtain his goods until he paid the charges.

With the advent of the ITS, the bill of lading was to be eliminated from the documentary procedures in Arica, as was clearance for the goods by the Chilean Customs. Nonetheless, the designers of the system recognized that some guarantee mechanism should be set up to protect the shipping lines against non-payment. Since AADAA was to be responsible for the goods until they were handed over to the consignee, it was logical for this responsibility to include acting as guarantor for payment to the lines. The procedure instituted requires that the shipping agent stamp the port receipt of any consignment with charges outstanding, and that AADAA in turn give the agent a letter guaranteeing that the consignee will not be allowed to take delivery until the charges have been paid. This procedure caused the lines some initial misgivings, but they were finally persuaded that it was just as effective in protecting their interests as clearance of a bill of lading by a shipping agent.

(c) Dispatch of transit documents

Due to the rapidity with which goods were expected to be dispatched from Arica, it was foreseen that they might arrive at their final destination before processing of their documentation could be completed. Experience has shown that such is indeed the case, and that consignees often do suffer significant delays in obtaining their goods. The problem lies principally with AADAA's invoice, which must be paid in full before the goods can be

^{7/} General average is a charge made against all consignments on a vessel to cover losses to some of the consignments on board, or to the vessel itself, if these losses are incurred voluntarily for the protection of the vessel, the crew or the remainder of the consignments.

delivered. However, the invoice cannot even be made up until all port and rail charges related to a consignment are known. This depends on receiving the respective invoices from EMPORCHI and the railway, which first must calculate the real costs of operations actually performed. Once AADAA's invoice is ready, it must be legalized as a foreign document by the Bolivian Consul in Arica before it can be dispatched to the consignee.

In recognition of the delays inherent in the invoicing process, CEPAL suggested that AADAA draw up and apply a tariff schedule of standard costs for all operations usually required for the transshipment of goods to Bolivia.^{8/} These would include AADAA's own operations and those of EMPORCHI, the Chilean section of the railway, the Bolivian National Railways, and any other participant in the system. Only as an exception would it be necessary to charge the actual cost of an operation, in which case AADAA in Arica could advise the AADAA office at the destination by telex to hold the consignment pending calculation of the charges. Otherwise, the invoice could be prepared at the destination as soon as the nature of the consignment was known, even before the goods themselves arrived. Being national in origin, it would not be subject to consular legalization.

Unfortunately, this proposal has not yet been put into effect. The invoice is still prepared in Arica, and it continues to cause significant delays in the delivery of goods to the consignee.

(d) Monopoly position of AADAA

AADAA has a monopoly on the transshipment of goods through Arica to Bolivia. This position is not entirely a consequence of the ITS, since long before it was established the Bolivian government had set AADAA up to exercise control over the physical handling and custody of the goods, but the system has definitely reinforced the monopoly by eliminating the private customs agents altogether. Exclusive control over a sphere of activity is, of course, normal for a government agency, but service to the public is not necessarily

8/ Estudio de facilitación del tránsito de mercadería con destino a Bolivia a través del puerto de Arica: Bases para establecer una tarifa de la Administración Autónoma de Almacenes Aduaneros.
E/CEPAL/L.116/Add.2.

/improved thereby.

improved thereby. Nonetheless, AADAA should in principle be more apt to care for the interest of its clients because these have a direct influence on its policies through the two representatives from the national Chambers of Commerce and Industry that serve as members of its board of directors. The clients are also represented in the day-to-day operations of the ITS in the person of the Chambers' member of the ICC.

There is evidence, however, that AADAA's clients are not making the best use of their possibilities for protecting their own interests. For example, complaints about excessive staffing levels, delays in the processing of documents and increases in costs continue to be heard. A tariff schedule would help to guard against cost increases to a certain extent, as well as speeding up document processing, yet this proposal still has not been implemented. All these factors tend to be viewed by the clients as negative features of the ITS, whereas in fact they are more the fault of common bureaucratic tendencies than anything else, tendencies that could be mitigated and even reversed if the clients were to make effective use of the facilities provided for the purpose by AADAA and the ITS.

One complaint about increased costs of doing business under the ITS is worthy of special comment. Previously, the consignee paid for all the services he received during transshipment except those provided by AADAA, which from his point of view were free because they were paid for out of the Bolivian national budget. Transit operations were thus being subsidized by the amount of AADAA's costs. Under the present system, however, the consignee must also pay these costs, and to this extent his out-of-pocket expenses are in fact greater. There is nonetheless no inherent reason why the overall cost to the economy should be greater than before. Indeed, if AADAA's operations are efficient - and it is within the consignee's power to exert influence to make them so - the overall cost should be less.

IV. APPLICATION OF THE ITS

1. Implementation

Despite the short time between 15 May 1975, when institution of the Integrated Transit System was approved, and 1 August 1975, when it went into effect, the groundwork for it had been carefully laid. Both AADAA and EMPORCHI were determined to do away with the cumbersome, inadequate dispatch procedures then in effect and did everything in their power to ensure that the new system would succeed. To this end, they named their respective representatives to the Information and Co-ordination Centre before the end of May, followed shortly thereafter by Chilean Customs and the railway. The four representatives met for the first time on 1 July, and by 29 July had put together a manual describing the essential functions that the ITS would have to perform. Meanwhile, the employees of these agencies were given training in the revised procedures.

The first planning meeting of the ICC was held on 31 July. It was decided from the outset that the new system would be completely separate from the preceding one. This meant in practice that goods arriving after 1 August would be stored in warehouse 2, from which they would be dispatched automatically according to the ITS procedures, whereas goods held over from before 1 August would continue to be dispatched using traditional methods.

Promptly at 07:45 on 1 August 1975, the ITS was put into operation. The first days saw a certain amount of confusion on the part of the employees responsible for carrying out the various tasks, but they rapidly became accustomed to the new system. The private customs agents, on the other hand, hoped the confusion would grow and contribute to an eventual failure of the automatic dispatch, giving them once again a key role in the process. They even went so far as to spread rumours in Bolivia of disorganization and favouritism in the dispatch of goods. Problems with the railway and the consequent use of trucks, whose drivers often had no notion of how to fulfill all the documentary requirements to which they were subject, contributed to a lack of confidence on the part of importers. Despite this unfavourable climate, the personnel of AADAA, EMPORCHI, Chilean Customs and the railway - working

/together in

together in a single, dedicated effort for the first time - became increasingly effective as they gained experience, until even the most stubborn of the agents was forced to concede that the ITS would not be abandoned.

2. Physical accomplishments

Only three months after the ITS was introduced, and despite difficulties with the railway and with shipments by truck, its impact on the entire transit process was notable. In July, warehouses 5 and 6 were congested with goods that suffered continually from having to be moved around to permit the dispatch of consignments in random order. By November, however, these warehouses were practically empty, since all goods arriving after 1 August were stored in warehouse 2. The latter, in turn, mirrored the orderly, timely operations of the new system. With only minor exceptions, goods were being dispatched in sequence of arrival. It was thus unnecessary to touch any particular consignment from the moment it arrived until it was ready to be loaded on the rail wagon, which caused a substantial reduction in damages.

Statistics kept prior to the advent of the ITS are not entirely adequate and may be subject to error, but even so, it is worthwhile comparing them with statistics produced subsequently by the ICC.

(a) Goods in transit

One function of a port is to act as a buffer between modes of transport having different unit capacities. A single ship can deliver enough cargo to keep the railway from Arica to La Paz running at full capacity for a month or more. At any one moment, therefore, the port may suddenly be filled with goods awaiting dispatch, but there should be no net accumulation as was experienced prior to 1 August 1975. The effectiveness of the ITS is demonstrated by table 1, which shows a reduction of nearly 8,500 tons of accumulated goods during the first three months of operation of the system.

/Table 1

Table 1
MOVEMENT OF GOODS IN TRANSIT TO BOLIVIA
(July-October, 1975)

Month	Arrivals (tons)	Dispatches (tons)	Balance, at end of month (tons)
July			32 000
August	7 738	9 549	30 189
September	5 489	10 436	25 242
October	11 810	13 707	23 345

Source: AADAA.

(b) Delays in port

Table 2 presents the results of an analysis of every fifth bill of lading for cargo in transit that arrived in August 1974 and August 1975. In the former month, only 35 per cent of the corresponding consignments were dispatched within 30 days, whereas in the latter, the figure had risen to 62 per cent. The dispatch rate would have been even higher under the ITS if priority had not been given to moving out goods already in storage as of 31 July 1975, which meant that fewer wagons were available for direct transshipment of newly-arrived cargo.

(c) Wagon loading rate

The railway maintains a record of the number of wagons spotted for loading and those held over for loading the next day. Of the 375 wagons delivered to the port during July 1975, 132 (35 per cent) could not be loaded on the day of delivery. In October, 465 wagons were delivered but only 98 (21 per cent) had to be held for second-day loading.

/Table 2

Table 2

DELAYS IN THE PORT OF ARICA FOR GOODS IN TRANSIT TO BOLIVIA

(Sample of every fifth bill of lading for ships docking in the month indicated)

Days in port	August 1974			August 1975		
	N° of B/L	Per-centage	Cumulative percentage	N° of B/L	Per-centage	Cumulative percentage
1 - 5	3	1.97	1.97	10	5.99	5.99
6 - 10	7	4.60	6.57	18	10.78	16.77
11 - 15	3	1.97	8.54	10	5.99	22.76
16 - 20	11	7.24	15.78	35	20.96	43.72
21 - 30	29	19.08	34.86	31	18.56	62.28
31 - 40	22	14.47	49.33	21	12.57	74.85
41 - 50	21	13.82	63.15	9	5.38	80.23
51 - 60	15	9.87	73.02	16	9.58	89.81
61 - 70	11	7.24	80.26	4	2.40	92.21
71 - 80	6	3.95	84.21	2	1.20	93.41
81 - 90	3	1.97	86.18	2	1.20	94.61
More than 90, or still in storage on 4 Nov. 75	21	13.82	100.00	9	5.39	100.00
<u>Total</u>	<u>152</u>	<u>100.00</u>		<u>167</u>	<u>100.00</u>	

Source: EMPORCHI.

3. Problems encountered

A number of problems were encountered during the implementation of the ITS. Those due to simple inexperience were the easiest to solve, since they disappeared of their own accord as personnel became accustomed to the system. Others were caused by latent restrictions on capacity, which gained significance as the system brought about an increase in the dispatch rate. The most important - and most difficult to deal with - were procedural in nature, caused by groups or agencies unwilling to change their traditional working methods or threatened by the new system.

(a) Capacity problems

The limited capacity of the railway owing to the exceptionally steep grades on 39 kilometres of the Chilean section was well known. Before the ITS went into effect, this was rarely a problem because dispatch rates usually did not exceed the railway's available tractive effort. Coinciding with the advent of the ITS, however, a series of accidents to the locomotives especially equipped to operate on the steep section severely reduced capacity just at the moment when an increase was urgently needed to complement the increased capacity for dispatch. Fortunately, it was possible to employ trucks to handle the excess tonnage, which both alleviated the bottleneck and pointed up the great flexibility that the new system gave to the agencies participating in it.

Although newer locomotives more appropriately equipped for the severe conditions of the Chilean section have done much to remove the constraint imposed by tractive effort, problems of port equipment and personnel and with space in AADAA's warehouses in La Paz still exist. None of these are amenable to solution by the ITS, whose direct influence is limited to the documentary procedures required for transit. However, since the ITS has systematized the entire transit process, it is now possible to quantify the capacity and reliability of each component procedure. Imminent and potential bottlenecks can thus be identified in time to do something about them before they seriously affect operations.

/(b) Organizational

(b) Organizational problems

Two major problems of an organizational nature arose during the early months of the ITS and threatened to destroy it before it had a fair chance to prove itself. One was provoked by the private customs agents in Arica, whose participation in the dispatch of goods in transit was brought to an end by the new system. This regrettable consequence had been foreseen when the ITS was first proposed, but was insoluble since the nature of automatic dispatch precluded intervention by other than national authorities such as AADAA. Nevertheless, the private agents were unwilling to give up a lucrative business without a fight. This they waged in the form of a campaign of rumours and press releases designed to sow doubts in the minds of importers about the safe and timely arrival of their goods in Bolivia, and about AADAA's ability to manage the dispatch without help from the agents. Their efforts were abetted by the fortuitous problems of the railway, and by ensuing problems with documentation and authorization for truck transport. It was also unfortunate that the delegate from the Chambers of Commerce and Industry, who as the importers' representative in the ICC could have done much to clarify the situation, did not arrive in Arica until November 1975.

While cargo landed before 1 August was still being dispatched, the private agents continued to act as intermediaries. They hoped that the ITS would fail in the meantime, and so allow them to recover their traditional role. Fortunately, the system was too solidly conceived and too urgently needed by the other official participating agencies, apart from AADAA, for it to fall victim to the machinations of its detractors. As progressively less old cargo was available, the agents were forced to bring their business to a close and look for employment elsewhere, leaving the initiation of dispatch procedures solely in the hands of AADAA and the ITS.

The second organizational problem concerned the elimination of bills of lading from the system. It soon became apparent that the shipping lines still had reservations about this, despite the measures taken to protect their interests. In conversations with representatives of some of the lines serving the Bolivian trade, CEPAL was able to determine that in part they did have a legitimate concern about the payment of charges due on a consignment, but

/that they

that they also were being seriously misled as to the nature of the ITS by the private customs agents, who were doing everything in their power to induce the Bolivian and Chilean governments to withdraw approval of the system. Since a number of them also acted as agents for shipping lines, they were a principal source of information for the lines. Consequently, there was a real danger that they might induce the lines to take measures which in the last analysis could be prejudicial to the latter's own best interests, not to mention those of the two governments.

CEPAL therefore took the initiative of contacting a representative of one of the liner conferences to explain the real implications of the system for all participants, and to see if a means could be devised for protecting the lines' interests without destroying the fundamental concept of automatic dispatch. There was no objection to AADAA's replacing the Chilean Customs as guarantor for the lines, but there was resistance to eliminating clearance by the shipping agent of all bills of lading. In an effort to determine the true risk to the lines if their agents did not clear every bill of lading, CEPAL checked the documentation for all consignments handled during the first four months the ITS was in effect. Only four out of a total of 3,000 were found to require intervention by the shipping agent. Faced with this evidence, the lines finally accepted an arrangement whereby, if a port receipt is stamped to indicate that the corresponding consignment has freight charges or general average claims pending, AADAA guarantees to deliver the goods to the consignee only on presentation of a certificate from the shipping agent stating that these obligations have been paid. If the port receipt is not so stamped, the shipping agent's clearance is not needed.

V. SUMMARY

In 1968, John Henry Merryman, Professor of Law at Stanford University, stated that "the emphasis in Bolivia's right-of-transit treaties with neighboring states should shift from 'rule-stating' to 'rule-administering'."^{9/} Implementation of the Integrated Transity System did exactly this. The rules by which it operates are by no means new, and in fact the system was put into effect simply on approval by a joint technical meeting of delegates from Bolivia and Chile called to study CEPAL's proposal. All other steps were taken in the form of modifications to the administrative procedures of the various participating agencies. The real innovation of the ITS was its emphasis on rationalizing the existing rules so as to minimize delays in the transit process produced by these procedures.

Prof. Merryman further noted that such a change in emphasis "would require the creating of institutions ... entrusted with a variety of administrative powers, including the power of initial decision in a range of disputes likely to arise in the day-to-day exercise of the right of transit."^{10/} The Information and Co-ordination Centre very largely fulfills this function. Although the ICC does not officially possess all the suggested decision-making attributes, its component agencies for the most part do have the necessary discretion. By co-operating to make transit a working reality, they cause the ICC to function much as if it were an independent, formally-constituted body.

The approach adopted for the ITS is similar to that advocated by Prof. Merryman, who saw the problem faced by Bolivia as "one of establishing institutions and procedures, as well as rules, to administer the process of transit and to recognize and resolve problems that arise in that process." Transit cannot be guaranteed just by signing treaties. It is also essential to set up procedures for implementing the corresponding physical processes.

^{9/} The international agreements of Bolivia as they relate to transportation. Supplement to part A, volume II, Bolivia transport survey. Prepared by Daniel, Mann, Johnson & Mendenhall; Stanford Research Institute; and Alan M. Voorhees & Associates, Inc. La Paz: May 1968, p. 62.

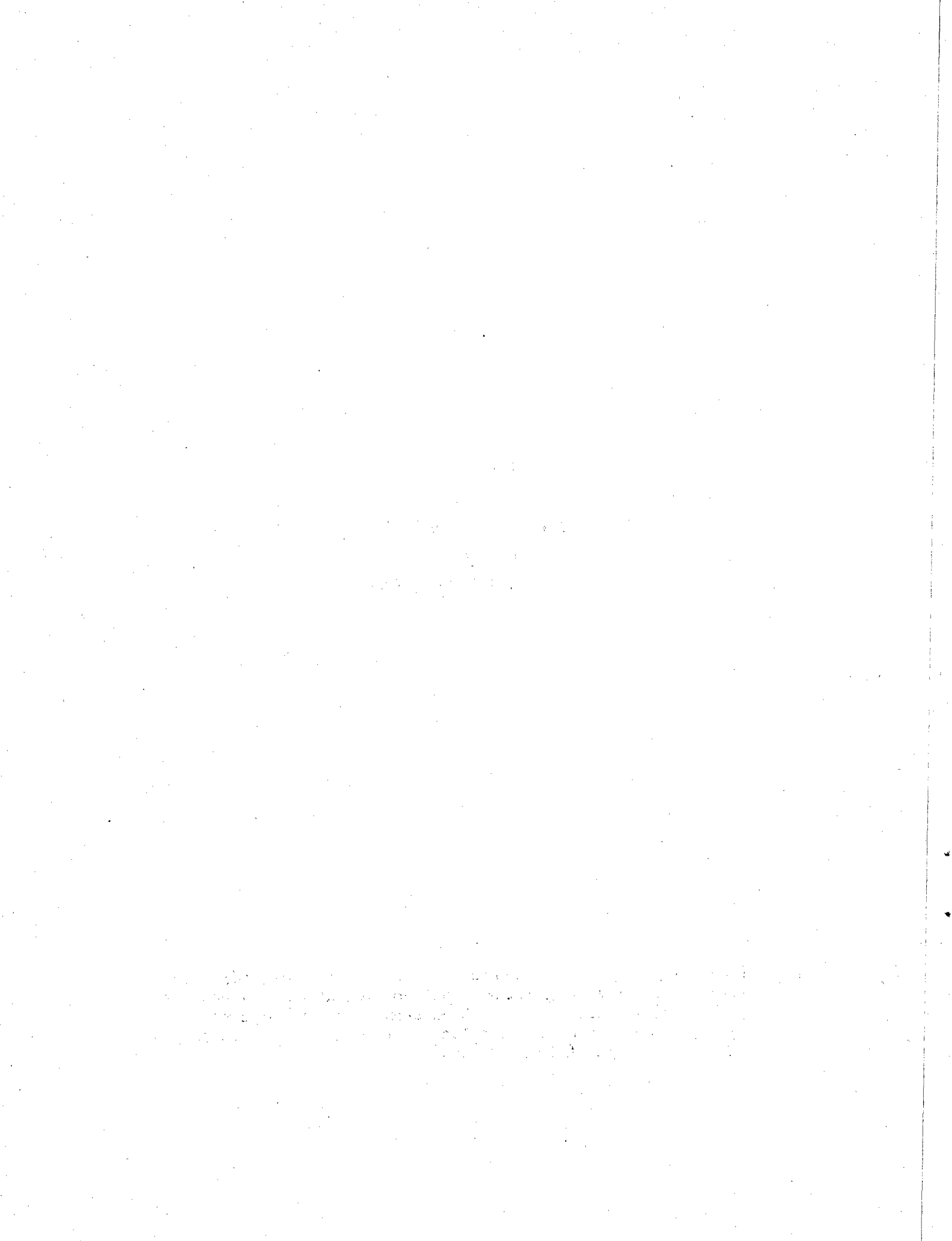
^{10/} Ibid.

In the past, procedures tended to be instituted more or less on an individual basis, with little concern for their relations to or effects on other procedures. The ITS, on the other hand, recognizes that all procedures associated with the movement of goods from Arica to Bolivia are part of a single overall process that must be treated systematically in order to function efficiently. It has thus been able for the first time to give true substance to the concepts of free transit embodied in the Treaty of 1904 and subsequent agreements.

APPENDIX

Aligned documents used
by the
Integrated Transit System

Note: The design of these documents follows the standard United Nations layout key for international trade documentation. Although the length of the forms has here been shortened for purposes of reproduction, their design calls for them to be printed on ISO size A4 stock (210 x 297 mm.).



Autonomous Customs Warehouse Administration of Bolivia		Nº	Date	
		M A S T E R		
Consignee				
Notify party				
Vessel	Port of loading	Manifest Nº	Date	
Port of discharge	In transit to	Bill-of-lading Nº		
Marks and numbers	Number and kind of packages; description of goods	Gross weight (kg)	Cube (m ³)	
OBSERVATIONS:				

Autonomous Customs Warehouse Administration of Bolivia		Nº	Date	
		PORT RECEIPT		
Consignee				
Notify party				
Vessel	Port of loading	Manifest Nº	Date	
Port of discharge	In transit to	Bill-of-lading Nº		
Marks and numbers	Number and kind of packages; description of goods		Gross weight (kg)	Cube (m ³)
OBSERVATIONS:				

Shipping agent:

Section:

Movement:

Nº

Date

The present document constitutes proof of delivery and receipt of the goods listed below, in the quantities and conditions indicated:

Marks and numbers	Number of packages												Total packages	Gross weight (kg)	Location	

OBSERVATIONS:

The present document constitutes, for all legal effects, the official certificate of the quantities and conditions in which this cargo was received.

Freight paid and delivered in good order:

Received in good order:

Participant:

for Shipping Agent

for EMPORCHI

for AADAA

Autonomous Customs Warehouse Administration of Bolivia		Nº		Date	
		CLAIMS REPORT			
Consignee					
Notify party					
Vessel	Port of loading	Manifest Nº	Date		
Port of discharge	In transit to	Bill-of-lading Nº			
Marks and numbers	Number and kind of packages; description of goods		Gross weight (kg)	Cube (m ³)	
OBSERVATIONS:					
<p>Messrs. PORT ADMINISTRATION ARICA</p> <p>This is to inform you that the goods described above have been received with Observations:</p> <p>On landing <input type="checkbox"/> When loading rail wagon <input type="checkbox"/> Truck <input type="checkbox"/></p> <p>For claims purposes, we would appreciate your certifying this situation on the back of this document.</p>					
<hr style="width: 20%; margin: auto;"/> <p>for AADAA</p>					

STATEMENT OF THE PORT ADMINISTRATION

Nº

Date

Messrs.

Autonomous Customs Warehouse Administration

Arica

With respect to the claims you put forward in relation to the goods particularized on the front of this document, we make the following statement:

Signature and seal of the
Port Administrator

Autonomous Customs Warehouse Administration of Bolivia		N°	Date	
		LOADING FORM		
Consignee				
Notify party				
Vessel	Port of loading	Manifest N°	Date	
Port of discharge	In transit to	Bill-of-lading N°		
Marks and numbers	Number and kind of packages; description of goods	Gross weight (kg)	Cube (m ³)	
OBSERVATIONS:				
<p>Mr. Chief, Transport Section Arica-La Paz Railroad (Chilean Section) Arica</p> <p>Please dispatch to their final destination the goods described above, which were loaded in the conditions indicated</p>				
<hr style="width: 20%; margin: auto;"/> for AADAA				

LOADING DATA

Number and kind of packages	Wagon or truck N ^o	Date of loading	Seal N ^{os}

Observations at loading:

for EMPORCHI

for AADAA

for the Railroad

Autonomous Customs Warehouse Administration of Bolivia		Master N°	Date	
		N° Bolivian Customs Agency	N° Superintendent of Customs in Arica	
Consignee		<p style="text-align: center;">EXIT PERMIT</p> <p style="text-align: center;">B</p>		
Notify party				
Vessel	Port of loading	Manifest N°	Date of arrival	
Port of discharge	In transit to	Bill-of-lading N°		
Marks and numbers	Number and kind of packages; description of goods	Gross weight (kg)	Cube (m ³)	
For use by EMPORCHI				
Control Desk		Settlement Office		

LOADING DATA

Number and kind of packages	Truck or wagon NO	Date of loading	Seal NOS

Observations at loading:

for EMPORCHI

for AADAA

for the Railroad

RESETTLEMENT:

EXIT PERMIT:

The wagons or trucks NOS
loaded with the goods described above are authorized to leave the port area and proceed
to their destination in Bolivia.

Signature and seal of the representative
of the Chilean State Port Co.

Autonomous Customs Warehouse Administration of Bolivia		Nº	Date	
		INVOICE		
Consignee				
Notify party				
Vessel	Port of loading	Manifest Nº	Date	
Port of discharge	In transit to	Bill-of-lading Nº		
Marks and numbers	Number and kind of packages; description of goods	Gross weight (kg)	Cube (m ³)	
OBSERVATIONS:				

DISPATCH DATA

Exit permit N°	Wagon N°	Waybill N°	Date
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ACCOUNT OF EXPENSES:

Invoice N°

Mr.

City

The goods consigned to you, as identified on the front of this document, have incurred the following expenses resulting from the dispatch operations effected by our agency in Arica. Rail freight charges to the Bolivian border are included.

Cost in US\$

1.- Port handling	1
2.- Use of way and others in port	2
3.- Loading by private stevedores	3
4.- Telex and information	4
5.- Other loading costs	5
(a) Sewing, sweeping and others	a
(b) Weighing	b
(c) Tie down with staking	c
(d) Tie down without staking	d
(e) Overtime	e
6.- Protection	6
7.- Customs escort	7
8.- Documentation	8
9.- Manifesting	9
10.- Rail freight, Chilean section	10
Subtotal	
11.- Dispatch commission, AADAA	11
Subtotal	
12.- Legalization of invoice, 2%	12

GRAND TOTAL

US\$

AMOUNT:

Please pay the above amount to the order or our account N° in the Central Bank of Bolivia within 10 days of the date of this notice, after which time your debt will be charged the corresponding bank rate of interest.

 for AADAA

CONSULAR LEGALIZATION:

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