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ECONOMIC COMMISSION FOR LATIN AMERICA

LATIN AMERICAN DEVELOPMENT AND THE UN/IMCO CONFERENCE ON
INTERNATIONAL CONTAINER TRAFFIC - MEMORANDUM 1 ON THE
MOST RECENT DOCUMENTATION, CURRENT DEVELOPMENTS
AND PROPOSED IMMEDIATE ACTIONS

72-3-383

1. A new provisional agenda for the UN/IMCO Conference on International Container Traffic was prepared by the Inter-Governmental Preparatory Group in New York between 14-18 February 1972 (Annex I). For the delegates and observers of the Latin American countries attending the meeting (Argentina, Brazil and Mexico as delegates; Colombia and Cuba as observers), a working document submitted by Brazil was a basic document of reference for their preparation for the discussions (Annex II). Representatives of these and other countries were consulted during the writing of the document. The developing nations in general were able to agree that the resolution on the TCM Convention submitted by the Special Commission for Latin American Coordination (CECLA) and adopted at the meeting of the Group of "77" in Lima in November 1971 should be a common point of reference,^{1/} and they generally united against proposals to conclude a TCM Convention at the Conference in November of this year.

2. Under the new provisional agenda, the decision whether or not to place the TCM Convention on the agenda has been postponed. The United Nations' Secretariat has estimated that the study on the economic implications of the TCM Convention, especially with reference to the developing countries, which the Secretariat is preparing, will be distributed in May. Some developing nations feared that there would be insufficient time to analyze the study and to make their views known to the regional economic commissions so that the latter could inform ECOSOC in July on whether the draft Convention or alternative proposals are ready for international consideration (as indicated in operating paragraph 8 of ECOSOC Resolution 1568 (L) of 10 May 1971). Several developed countries suggested that the decision to include or exclude the TCM Conventions could be made later in the year, even at the Conference itself, but some developing countries

^{1/} See Annex II of the ECLA document, E/CN.12/912/Rev.1.

/feared that

feared that this would give them insufficient time to consolidate their views on the Convention. Certainly they would not be able to prepare and make known their proposals or suggestions for amendments to the draft Convention before 15 May 1972, as requested in the documentation of the Conference (E/CONF.59/17, paragraph 4).

3. A most important and urgent matter for the Latin American nations is the diffusion of information about the draft TCM Convention, so that those economic sectors of these nations which would be greatly affected are prepared during the months May through July to examine the study on the economic implications of the TCM Convention and to give considered views on the draft Convention itself to their Governments. Attempts will be made during this period to consolidate views of the Governments at the subregional level.

4. There has been considerable interest shown in the proposed TCM Convention by transport enterprises in Latin America. These have been concerned primarily about the possible impact of the Convention on the choice of routing of cargoes and on the ability of institutions in developing countries to compete effectively as combined transport operators. More recently, insurance interests have expressed preoccupation over the alteration of transport insurance arrangements, especially over the decrease which could take place in the relative importance of general cargo insurance among transport insurance coverages. In addition, there has been concern by shippers' interests about the possibility that their premiums on their total insurance coverage would increase; that the combined transport operator's liability might be effectively invoked to cover only a very small percentage of the totality of loss and damage; that the direct contract relationship between the shipper and transporter is broken and the benefits which shippers have come to obtain in this relationship might be jeopardized; and that the Convention does not protect the shipper adequately against fraudulent or irresponsible transactions by combined transport operators (CTO's) when these make contracts with transporters and they bring

/claims against

claims against the transporters. Governmental agencies have indicated concern about the impact on their ability to regulate effectively transporters and transport agents; on the strengthening or weakening of existing economic power relationships between the buyers and sellers of goods; and on the controls on negotiable documents. Each of the possible effects cited in this paragraph could in turn have important implications for the balance of payments.^{2/}

5. The CTO as an institution already exists, without the legal and moral underpinning of the TCM Convention. It might seem that the developing countries which have opposed the Convention in its present form are really opposing a concept which is already operative, and that some developing nations could easily adopt a legal document (i.e. the TCM Convention) for their shipowners without taking into consideration the points of view of the developing nations. An answer to this which has been suggested is that the developing nations do not want to give international moral and legal support to a concept which might be prejudicial to their own interests, nor to a document which appears to suffer basic weaknesses as a document of reference for litigation involving containers. When a document of this type is being prepared for global application, these countries would prefer to discuss not just fine legal or technical points of an already drafted document, but the terms of reference for the drawing up of the document. The conduct and responsibilities of the CTO in the developing countries would thus be clearly indicated in the initial international diplomatic agreements with respect to this institution.

6. The developing countries may not want to support a document which gives international legal and moral backing to an institution which has not been molded in terms of their own interests. On the contrary, they

^{2/} The Economic Commission for Latin America will prepare an addendum which will elaborate these points, when the study on the economic implications of the TCM Convention is issued.

may want to modify the characteristics of this institution, at the time it is legally sanctioned, in terms which are more favorable to their real ability to impose controls on it. For example, some Latin Americans have suggested that there should be a requirement that the CTO be a transport operator licensed to operate in the developing countries for which he arranges transport, on the assumption that carriers can be controlled effectively by the developing countries. On the other hand, developing countries may prefer that their own state-controlled export agencies organize themselves along the general lines of the CTO, arranging door-to-door international intermodal transport.

7. The developing nations need not await a decision on the inclusion or exclusion of the TCM Convention on the Conference agenda before acting in this area. Under the new provisional agenda, submitted by the Inter-Governmental Preparatory Group, they may prepare guidelines on a possible convention on the international combined transport of goods, taking into account their transport policy options with regard to containerization and the desire for an adequate liability and documentation regime. In effect these guidelines would be presented at the UN/MCO Conference in November as terms of reference for future legal work. It has been suggested by the representative of a developing country that UNCTAD III in Santiago (April-May 1972) may provide an appropriate opportunity to initiate action on the development of these guidelines, in order that they are ready by November. It is important, especially from the point of view expressed by some developing countries outside of Latin America, to demonstrate to the developed countries that the door is not being closed on a global convention in this area, and that serious work can be carried out in the near future, even according to a predetermined calendar. There is fear that some developed countries would believe it to their advantage to subscribe to a convention independent of the points of view of others.

/8. The

8. The coverage of the proposed TCM Convention is still somewhat unclear. Latin American nations may want to pay particular attention to the inclusion or exclusion of LASH operations, where the lighters move both in inland river and ocean transport, under the terms of the Convention. LASH services are scheduled to begin on the West Coast of South America and in the Caribbean Area this year and on the East Coast of South America next year (see E/CONF.59/17, paragraphs 21-5).

9. New Conference documents have been issued relating to the draft safety and customs conventions, and on the other topics of the original provisional agenda of the UN/IMCO Conference for which no conventions have been drafted for presentation at the Conference. These are as follows:

- a) Safety requirements, including the results of the Second Joint Meeting of ECE/IMCO to study the draft "International Convention for Safe Intermodal Transport of Containers" (E/CONF.59/13 and E/CONF.59/13/Add.1).
- b) Customs questions, including a draft Customs Convention on Containers (E/CONF.59/16 and E/CONF.59/16/Add.1).
- c) Standardization of dimensions and weights (E/CONF.59/11 and E/CONF.59/11/Add.1).
- d) Inspection, testing and certification of containers (E/CONF.59/14).
- e) Identification and marking (E/CONF.59/15).
- f) Various facilitation questions (E/CONF.59/10 and E/CONF.59/10/Add.1).
- g) Documentation (E/CONF.59/12 and E/CONF.59/12/Add.1).

Most of these new documents are summaries of comments from individual countries and organizations. The discussion in the ECLA paper (E/CN.12/912/Rev.1, chapters 3 and 4) of the implications of these topics for Latin America is still relevant.

10. As to the draft safety and customs' conventions, there seems to be a general agreement that the economic implications of these conventions for developing countries should be considered. The Brazilian working paper suggests some themes of importance here

(Annex II, paragraphs 4 and 5). These include the definition of nationality of the containers, the relations between the ITI Convention and the proposed Customs Convention on Containers, and a compatibilization of procedures for amending the "technical" clauses of the conventions and for inspection, testing, certification and withdrawal of certification of containers.

11. The question of nationality of the container has recently received significant attention. The term "nationality" does not appear in the draft Customs Convention on Containers, but there is an implicit definition of it in Article 3, paragraph 2. The United States has indicated the negative impact that the present definition, as interpreted by some parties, could have for countries which wish to manufacture containers for operators in other countries (E/CONF.59/16, paragraphs 9-11). Also, Latin American countries may want to assure that more liberal treatment can be given to containers of multi-national pools among public or private entities, of which they are participants. Thus, the Andean Group countries may wish to grant temporary admission to containers of other member nations of the Group under different conditions than those which are made effective for containers with "nationality" outside the region. They may wish to restrict the movement of containers with "nationality" outside the region to conditions as if the entire region were a "nation", thus encouraging the use of regional containers for regional traffic. Article 16 would seem to protect this type of situation, but it is advisable to consider all proposed amendments to the draft Convention in these terms. The Conference document on "identification and marking" of containers also deals with the problem of determining "nationality" (E/CONF.59/15, paragraphs 4, 17-18).

12. Under the new provisional agenda, the Customs Convention on the International Transit of Goods (ITI Convention), adopted by the Customs-Cooperation Council in June 1971, will be considered in two respects. First, governments will be encouraged to sign this Convention. Second, the committee which discusses the draft Customs Convention on Containers

/will study

will study possible discrepancies between this Convention and the ITI Convention. Essentially, the draft Customs Convention on Containers, proposed to replace the Customs Convention on Containers of 1956, deals with the container, while the ITI Convention deals with the contents of the container.

13. To acquaint persons interested in the UN/IMCO Conference with the ITI Convention, a brief description of it is included as Annex III of this memorandum.

14. One important connection between the draft Customs Convention on Containers and the ITI Convention is that the latter indicates the circumstances, in those nations which subscribe to the ITI Convention, under which the Customs Seal could be issued. Assuming that the container has been certified as having a structure appropriate for sealing, under the terms of the draft Customs Convention on Containers, it may be sealed with goods, in countries adhering to the ITI Convention, under two further conditions: (1) when it is presented to the Customs authorities at the Customs office in the country of departure together with an ITI Declaration, and (2) when the declarant is covered by a form of guarantee (e.g. through a guaranteeing association) as required by the relevant national laws. The container, remaining sealed, is accepted by nations en route as long as the ITI Declaration is in order, the seals are intact, and the required guarantees are in force. The goods shall not, as a general rule, be subjected to any additional Customs transit formalities by Contracting Parties to the ITI Convention, although regulations concerning public morality or security, public hygiene or health, veterinary or phytopathological considerations, etc. may be applied. Also, Contracting Parties to the ITI Convention may prescribe a time limit, require the containers to follow prescribed itineraries, and require the container to be transported under Customs escort. Containers travelling through the territory of non-Contracting Parties, but with origin and destination in the territory of Contracting Parties, may be carried under the terms of the ITI Convention, as long as the non-Contracting Parties permit this.

15. As indicated in the ECLA paper (E/CN.12/912/Rev.1, paragraphs III-3), amendment procedures have been proposed for the "technical" clauses of the Customs Convention on Containers which non-European nations might find objectionable. At the present time, discussions are underway on appropriate amendment procedures for the "technical" clauses of the convention on safety. The Sub-Committee on Containers and Cargoes of IMCO considered this at its 13th session (7-11 February 1972),^{3/} as did the third Joint IMCO/ECE Meeting to study the draft International Convention on Safe Multimodal Transport of Containers (7-9 February 1972). The Inter-Governmental Preparatory Group has recommended that amending procedures for the two conventions be considered together, which should help the developing countries to assure that they can engage in an active but not excessively costly participation in changes of the conventions.

16. Latin American countries may want to pay special attention to those aspects of the draft Customs Convention on Containers which have been written in view of procedures which are not common in Latin America. For example, under Annex 1, paragraph 2 of the convention, it would be sufficient to indicate the country of ownership of the container by means of a foreign motor vehicle nationality marking on the body of the container. The symbols involved here might not be known among customs' officials in Latin America. Also, traffic authorities might object to having vehicles (trailers) circulating on their roads which would display a local registration number on the under-carriage or frame of the vehicle and a foreign motor vehicle nationality marking on the container which is being hauled by the vehicle.

^{3/} The Secretariat of IMCO has proposed alternative amending procedures for the convention on safety in BC XIII/7 (a)/1 of 29 November 1971, prepared for the Sub-Committee on Containers and Cargoes. Also W/TRANS/WP24/202 of 7 September 1971 (distributed by the ECE), CSC/12 of 25 January 1972 and CSC/13 of 26 January 1972 (distributed by IMCO).

17. The draft Customs Convention on Containers may seem unduly vague on whether or not wheeled frames, with or without the container attached at the time of import, come within the definition of "accessories to the container".^{4/} Several Latin American nations apply the same conditions to temporarily-imported undercarriages as to the container itself. In some cases, regular "Roll-on Roll-off" services are a substantial part of total container operations, and it appears possible that these services would not come under this Convention, as presently drafted.

18. A controversy has emerged regarding the topic of standardization (E/CN.12/912/Rev.1, paragraphs 142-157; E/CONF.59/11). It is a question of whether this topic should be considered a strictly technical question, and therefore dealt with by the same committee of the Conference that discusses the convention on safety, whether the topic should be considered as basically a policy question, and therefore dealt with by the same committee of the Conference that discusses the "legal question", or whether the topic should be considered by both committees. In this regard, it is pertinent to mention that many Latin American countries are being urged to adopt policies with regard to container standards, not so much with the idea of excluding containers not meeting certain standards, but rather to assure that containers which are purchased and manufactured in these countries do conform to these standards.

19. The following is a tentative programme of action for the Latin American nations, which would help to assure that the work on a convention on international combined transport and on other conventions and proposals affecting containerization takes full cognizance of the interests and objectives of these nations:

April-May, 1972 At the third meeting of the United Nations

^{4/} It has been suggested that the explanation in paragraph 8 of E/CONF.59/2 is not sufficiently clear or emphatic, and that the wording of the convention itself should be modified accordingly.

- Committee on Trade and Development) in Santiago, there may be discussions and a programming of cooperative effort among developing countries to prepare, as indicated in the new proposed provisional agenda of the UN/IMCO Conference, "agreed guidelines on a possible convention on the international combined transport of goods".
- Mid-May, 1972 ECOSOC (Economic and Social Council of the United Nations) will consider the new provisional agenda for the UN/IMCO Conference, proposed by the Intergovernmental Preparatory Group. With this agenda, the decision about the inclusion of the draft TCM Convention is deferred, but a consideration of guidelines on a possible convention in this area is included among the topics to be discussed at the UN/IMCO Conference.
- Mid-May, 1972 The study on the economic implications of the TCM Convention is due to be distributed.
- June 1972 Sub-regional meetings could take place for consultations among Latin American Governments on the following:
- (a) possible common positions with regard to the desirability of including or excluding the draft TCM Convention on the agenda of the UN/IMCO Conference;
 - (b) possible common positions on the content of the draft TCM Convention should it be included on the agenda of the Conference;
 - (c) guidelines for a convention on the international combined transport of goods which would incorporate the objectives and consider the interests of the developing countries;
 - /(d) possible

- (d) possible common positions on the draft Customs Convention on Containers, and the relation of this to the ITI Convention;
- (e) possible common positions on other topics to be taken up at the Conference;
- (f) possible arrangements by which a substantial participation is assured for containers, LASH barges, combined transport operators, transport insurance firms and reinsurance institutes of the subregion or of countries in the subregion for subregional traffic. Naturally, the Latin American nations will want to assure that the draft Customs Convention on Containers and any convention on international combined transport are worded so that they do not preclude the effectiveness of subregional arrangements.

Experts from United Nations' organizations would be available to lend counsel.

3-6 July 1972

The Committee on Shipping of UNCTAD will meet to decide on a position with respect to the desirability of the inclusion or exclusion of the draft TCM Convention on the agenda of the UN/IMCO Conference.

Mid-July 1972

The Economic Commission for Latin America (according to ECOSOC Resolution 1568(L)) is due to report to ECOSOC on the advisability of including the draft TCM Convention on the agenda of the UN/IMCO Conference. The results of the sub-regional meetings of governments referred to above would be reported. ECOSOC will then make a decision on this matter.

July 1972

The Governments, individually or at the sub-regional level, would be encouraged to

/express official

express official opinions regarding the draft TCM Convention, the draft safety convention on containers, the draft customs convention on containers, and other subjects to be considered at the UN/IMCO Conference.

20. The Economic Commission for Latin America is prepared to work closely with national and subregional governments and interested groups on the preparations for the UN/IMCO Conference. The following experts are most actively engaged in advising nations and organizations on the Conference preparations:

Mexico and Central America:

Mr. Gonzalo Andrade C.
Economic Commission for Latin America
Hamburgo 63
Apartado Postal 6-718
Mexico 6, D.F.

The Caribbean area:

Mr. Stanislav Ambrozek
Economic Commission for Latin America
P.O. Box 1113
Port-of-Spain
Trinidad and Tobago

South America:

Mr. Win Crowther
Economic Commission for Latin America
P.O. Box 179-D
Santiago, Chile

21. The Governments have been invited to make proposals or comments on the contents of the UN/IMCO Conference documents by 15 May 1972, to the Secretariat of the Conference in Geneva, Switzerland. It would be greatly appreciated if the Governments were to send their respective regional economic commissions a copy of their communications on the subjects.

22. In a note verbale of the Secretaries-General of UN and IMCO of 19 October 1971, the Governments were invited to the Conference.

Annex I

PROVISIONAL AGENDA FOR THE UN/IMCO CONFERENCE, PREPARED BY THE
INTERGOVERNMENTAL PREPARATORY GROUP

The Preparatory Group, pursuant to Council resolution 1568 (L) of 10 May 1971, recommended the following provisional agenda for adoption by the Economic and Social Council:

1. Election of the President
2. Adoption of the rules of procedure
3. Adoption of the agenda
4. Organization of the work of the Conference
5. Election of other officers
6. Appointment of the credentials committee
7. General debate
8. Safety questions - consideration with a view to the conclusion of the International Convention for Safe Transport Containers
9. Customs questions - consideration with a view to the completion of the revision of the Customs Convention on Containers of 1956
10. Harmonization of provisions in the safety and customs conventions of common elements such as amendment procedures as well as inspection, testing, certification and documentation of containers, taking into account the work done by the international organizations on those matters
11. Legal problems - consideration of general policy questions relating to:
 - a) the liability and documentary régime for international intermodal transport, and
 - b) transport policy options with respect to containerization in international intermodal transport

/so as

so as to prepare, if appropriate, the agreed guidelines on a possible convention on the international combined transport of goods */

12. Standardization questions - consideration of the status of international container standardization in relation to the present work of international non-governmental bodies in this field and development of future co-operation in standardization in international container traffic
13. Other matters
 - a) Marking and identification **/
 - b) Health aspects ***/
 - c) Consideration of the resolution of the Customs Co-operation Council respecting the International Transit of Goods Convention (ITI Convention of 1971) ***/
14. Adoption of agreements and of the final act of the Conference
15. Signature of the Final Act of the Conference and of the Agreements

*/ In suggesting item 11 of the proposed agenda, the Intergovernmental Preparatory Group has borne in mind the Economic and Social Council and IMCO resolutions which call attention to studies under way which may assist in determining whether the TCM convention, or alternative proposals, are ready for international consideration. In the light of available information, it has not been possible, at this moment, to reach a decision about the inclusion of the TCM convention, for possible adoption by the Conference.

**/ The discussion of this item could also be undertaken in the context of the item related to the harmonization of the conventions on safety and customs.

***/ The discussion of this item could also be subsumed under the item covering customs questions.

Annex II

WORKING PAPER SUBMITTED BY THE GOVERNMENT OF BRAZIL

UN/IMCO CONFERENCE ON INTERNATIONAL
CONTAINER TRAFFIC

Intergovernmental Preparatory Group
New York, 14-18 February, 1972

1. The developing countries are fully conscious that the new transport technologies might have a considerable bearing on their future economic prospects. They are very attentive to the development of such technologies, and their economic plans generally give high priority to the incorporation of new technologies for the modernization of their transport network and for the improvement of transport facilities for international trade. They have thus welcomed the convening of the United Nations/IMCO Conference on International Container Traffic and hope that the decisions that might be taken at the Conference may contribute in a significant manner to the clarification of the issues involved, and to assure that containerization contributes to the development of their economies.
2. Useful work could be done at the Conference on a number of purely technical questions. In many cases, however, such questions should clearly be related to broader policy issues and basic options. For countries that have not yet taken the necessary decisions and are still in a stage of evaluating and planning, such issues and options are of considerable importance and they understandably hope that the United Nations/IMCO Conference on International Container Traffic could foster a clearer understanding of the economic and social implications of the different methods and procedures related to containerization, and to the aspects of international intermodal transport pertaining to the operation of containers. They will want to ensure that the decisions taken at the Conference do not foreclose the options they may want to take in the future with regard to such issues as the construction, inspection, certification, customs control and standardization of containers, or the operating rules and documentation with regard to international intermodal traffic. The agenda of the Conference should therefore be organized so that the discussion is balanced, considering precise legal and technical definitions on the one hand, and the implications of international agreements on containerization for transport policies on the other hand.
3. One possibility is that the agenda and the work of the Conference be divided into two parts.
4. The first and major part of the Conference would deal with the draft safety convention and the draft customs convention. Initial discussions of these draft conventions should take place in two separate committees of the Conference. In the discussion of the safety convention, there would be

/particular interest

particular interest in the harmonization of prospective and actual national regulations regarding the construction and maintenance of containers to ensure their safe transportation. In the discussion of the customs convention, there would be particular interest in the definition of "nationality" of the container for customs purposes, since the definition of "nationality" will have strong implications for government policies (whether or not the Government is a Party to the Convention) with regard to the carriage of internal traffic by "non-national" containers, common market or subregional co-operation on trade matters, international container pools, and the manufacture of containers for international use. The discussion of the customs convention should also consider such problems as the temporary admission of containers, accessories and equipment; the checking of the contents of the containers for sanitation regulations; the marking of containers carrying dangerous goods and the relationship between the proposed customs convention on containers and the proposed ITI convention.

5. Since there are possibilities for the co-ordination of procedures for testing, inspection, certification, identification and marking, and withdrawal of certification in the draft safety convention and the draft customs convention, it would seem appropriate that these procedures be discussed together and in a joint meeting of the two committees. It might be advisable that the procedures for amending the conventions also be treated at a joint meeting of the two committees, since all participants would find it useful to consider the advantages and disadvantages of alternative proposed amending procedures (e.g. the creation of an administrative committee) with respect to both conventions at the same time. It is hoped that the Secretariat of the United Nations, with the co-operation of the regional economic commissions, can further clarify the issues related to the two draft conventions and which may be of great importance to the developing nations, such as those specified in the preceding paragraph, before the Conference.

6. The second part of the agenda - and the documentation to be prepared for the discussions - would be organized on a seminar basis, the purpose of which would be to provide a general discussion and exchange of views, with special emphasis on the particular situation and needs of the developing countries and on the basic options of the Governments concerning the manner in which containerization could be organized. Governments should be able to consider in depth the relative advantages of different alternatives, i.e. how they want the responsibility allocated for the various aspects of containerization before committing themselves to policies which would favour some types of operators or operations over others. In short, what should be discussed are the alternatives with regard to who should be permitted to operate containers, and under what conditions. Such an exchange of views could be conducive to a more meaningful debate on standardization and on directives aiming at the regulation and facilitation of international combined transport.

7. The arrangements for the second part of the agenda should permit, inter alia, a debate to take place on the principles that should guide a TCM convention, with the objective of clarifying directives aiming at the regulation and facilitation of international combined transport, in such a manner that further consideration of the subject could benefit from the exchange of views on policy aspects and the respective economic and other implications. In this way, due respect would be given to the preference of the developing countries which, in the Action Programme adopted recently in Lima, clearly indicate their wish that a TCM convention should not be adopted until the developing countries have acquired the necessary experience for intermodal transport, until this form of transport has been extended to a substantial number of world maritime trade routes, and until all the implications as regards the needs of maritime transport, trade and economic and social development are known to the developing countries. The forthcoming study on the economic implications for the developing nations of the TCM convention, being prepared by the Secretary-General of the United Nations, as well as the commentaries made by the bodies referred to in paragraph 8 of Economic and Social Council resolution 1568 (L) would constitute essential elements for the consideration of this subject. The Governments attending the Conference, drawing on information from this study and from the regional economic commissions, might wish to elaborate positions on any further work within the United Nations system on the question of international combined transport operations.

8. Since it is difficult and arbitrary to separate questions of policies on standardization from questions of organization of container traffic (i.e., the allocation of responsibilities for controlling the container, facilities for its handling, its contents and its documentation), it is expected that the same committee which discusses the regulation and facilitation of international combined transport could also discuss policies related to standardization.

9. An agenda for the Conference, organized as suggested in the previous paragraphs, would avoid the debate from being dispersed on a number of purely topical questions, unrelated to each other and discussed without full knowledge of all possible implications. Moreover, it would lead the debate in a direction in which it could be more advantageous to all countries. Positive and possibly final results could be achieved in the domain of CUSTOMS and SAFETY and, in the second part of the agenda, it should be possible to organize the work of the Conference in such a manner that some basic options and principles, many of them related to the issues raised by the project of a TCM convention, could be intelligently discussed for further work. For the success of the Conference in this second part, it would be essential, however, that the Secretariat with the assistance of the regional economic commissions, prepare the documentation with the required data and information.

Annex III

NEW CUSTOMS CONVENTION ON THE INTERNATIONAL TRANSIT OF GOODS
(ITI CONVENTION)

The Customs Co-operation Council (CCC), during its 37/38th sessions in Vienna 7-9 June 1971, adopted a new Customs Convention on the International Transit of Goods. The following note giving information on that Convention was issued by the Customs Co-operation Council, and circulated as document E/ECE/TRADE/WP.4/INF.2 of 7 July 1971 of the Economic Commission for Europe and as document TD/B/ASTD/INF.2 of 7 July 1971 of the United Nations Conference on Trade and Development.

1. The new international Customs arrangements introduced by the ITI Convention adopted 7 June 1971 in Vienna by the Customs Co-operation Council are expected to enable transport operators to achieve large savings in time and costs. The whole emphasis of the ITI Convention is on the reduction of delays and costs in international transport, and the procedure introduced embodies new concepts designed to match changing patterns of international traffic, particularly the widespread use of intermodal containers.
2. Until now an international transit operation has involved one vehicle, one carrier and one carnet (combining the control document and the guarantee required for the carriage of duty-not-paid of goods). The Customs would seal the vehicle which entered the transit procedure in the country of exportation, and the carrier was required to produce the carnet at each frontier crossed. A change of carrier required the commencement of a completely new transit operation.
3. Containerization and other new methods of combined or door-to-door distribution have posed new problems. Containers can be carried by various modes of transport (rail, road, air, sea, inland waterway) and very swiftly transferred from one to another as required. Thus the time previously available at intermodal interfaces for the Customs to perform their traditional controls has been drastically reduced. Furthermore, there are frequently sections of an international journey (such as sea and air legs, or where the carrier concerned has special arrangements with the Customs authorities) where no guarantee is required, whilst in many cases it is not necessary for goods to enter a Customs transit procedure at the beginning of their journey although they must be able to enter such an arrangement at a later stage without delay or difficulty.
4. To overcome these and other problems posed by door-to-door transport systems the ITI Convention has been drawn up so as to be as all-embracing and flexible as possible. Consequently the new procedure will :

/(a) cover

- a) cover the transport of goods by all relevant means of transport which can be accepted as safe for the international transport of goods under Customs seal;
- b) be capable of application in all countries which are, or might be, involved in international transport;
- c) apply even where a transport operation involves a journey by sea or air or a journey across the territory of a non-Contracting Party;
- d) minimize delays at ports, land frontiers, etc., by laying the emphasis on Customs controls at the beginning and end of the journey only, wherever possible at inland depots;
- e) avoid either adding to existing requirements or creating new formalities where none exists at present;
- f) provide a flexible and simple documentation system;
- g) reduce delays and administrative costs by providing a cheap system of pre-arranged standing guarantees which could be used specifically for those parts of an operation where security is required;
- h) make possible future additional simplifications on the basis of administrative arrangements, new transport or communication techniques, etc.

5. The international system of guarantees will be operated through a network of guaranteeing associations covering the territories of the Contracting Parties to the Convention. Each national association will approve carriers for whom it will act as guarantor and will issue them with guarantee cards recognized by the Customs in all other countries within the guarantee network. Each card will provide cover for all journeys undertaken by the holder within its period of validity. As the activities of the carrier, rather than the goods carried, are the subject of the guarantee, there will normally be no need for the Customs to check the value of individual consignments at control points; it will be sufficient for them to be satisfied that the carrier is the holder of a current valid guarantee card.

6. The flexibility of the ITI procedure is such that it may be commenced either in the country of exportation or at a later stage in the journey. An exporter will be able to request the Customs in his country to seal his loaded container if there is the likelihood that the container will enter the ITI procedure at a later stage of the journey. When it is presented for sealing, a document showing the contents and certified as accurate by

/the person

the person responsible for loading must be produced. Details of the seals placed on the container will be inserted on the document, termed a "Goods manifest", which may be any normal commercial document provided it contains the minimum information prescribed by the Convention.

7. When the container enters the transit procedure the carrier will present a simple declaration (ITI Declaration) which is aligned to the EOE layout key and which contains a section for use as the Goods manifest if so desired; alternatively the relevant Goods manifest can be attached (a sample of the ITI Declaration is appended as Annex). When a guarantee is required the carrier must produce his guarantee card, or, if he does not wish the card to travel with the container, he may produce his card once only and reproduce its details on the declaration form. The Customs inspecting the card will endorse the form and their certificate will be accepted in subsequent countries in lieu of the card itself.

8. The carrier will take with him the original copy of the declaration for production at frontier control points. If another carrier accepts responsibility, a fresh declaration is completed and attached to the first which is then handed over to the new carrier. At each frontier a copy of the declaration is deposited with the Customs.

9. Although the Convention was designed primarily to meet the problems posed by containers it is not limited to container traffic and will be available for all other means of transport. No distinction is made between them, and provided a vehicle, railway wagon, container or inland waterway vessel conforms to the agreed international standards of security for Customs sealing purposes, it will be accepted for the ITI procedure. The term "transport-unit" has been used to cover all these means of transport.

10. The advantages to be gained from the introduction and use of the ITI procedure are considerable for both the Customs and the commercial world. For the Customs the procedure provides for a reorientation of formalities which restores to them the possibility of carrying out essential controls without creating transport delays, whilst for commerce it will enable transport operators to enjoy fully the potential advantages of the transport concept.

11. Having containers sealed in the export country will minimize delays at natural bottlenecks such as busy ports and frontier posts, whilst the new arrangements for Customs control and mutual co-operation between Customs authorities of different countries will enable them to avoid duplication of work whilst, by making it possible to control irregularities more effectively, helping to keep the cost of premiums for guarantees as low as possible.

12. Transport operators should also derive considerable benefits from the use of pre-arranged standing guarantees separated from the cargo

/document and

document and which can be used specifically for those parts of a journey where a guarantee is required. As the guarantee cards will remain valid for a period of time and will cover all journeys made within that period, there will in future be no need to make cumbersome and time-consuming journey-by-journey arrangements.

13. The acceptance of commercial documents as Goods manifests for Customs purposes is another very useful measure of trade facilitation which will make it possible to avoid much duplication of labour.

14. With experience of the new arrangements further simplifications can be anticipated since the Convention provides, for example, for groups of countries to join together in regions (known as ITI areas). Goods passing through such an area will be subject to controls only at the Customs offices of entry into and exit from the area, and the resulting saving of time at intermediate frontiers should help to reduce operating costs.

15. The Customs Co-operation Council has to date 65 Member Nations, but operation of the ITI procedure is not limited to Members' Customs administrations. In drawing up the new international Convention some dozen international organizations worked in close co-operation with the Council.

A sample of the ITI Declaration form is appended as Annex. Copies of the ITI Convention, which is open for signature until 30 June 1972, can be provided in English or French through the Inter-regional Adviser on Trade Documentation, UNCTAD, Palais des Nations, 1211 GENEVA 10, or directly from the Customs Co-operation Council.

/ITI DECLARATION

<p>32. OFFICE OF DEPARTURE — BUREAU DE DEPART ITS OPERATION COMPLETED — OPERATION ITE ENGAGEE</p>	<p>33. OFFICE OF EXIT EN ROUTE — BUREAU DE PASSAGE DE SORTIE TRANSPORT UNIT(S) EXPORTED WITH SEALS INTACT — UNITE(S) DE TRANSPORT EXPORTEE(S) AVEC DES SCELEMENTS INTACTS</p>
<p>PLACE AND DATE STAMP CACHET INDICANT LE LIEU ET LA DATE</p>	<p>PLACE AND DATE STAMP CACHET INDICANT LE LIEU ET LA DATE</p>
<p>34. TRANSIT COUNTRY, OFFICE OF ENTRY EN ROUTE — PAYS DE TRANSIT, BUREAU DE PASSAGE D'ENTREE TRANSPORT-UNIT(S) IMPORTED WITH SEALS INTACT, DOCUMENTS CHECKED, SATISFIED — UNITE(S) DE TRANSPORT IMPORTEE(S) AVEC DES SCELEMENTS INTACTS, ADMIS CONFORME SUR DOCUMENTS</p>	<p>35. TRANSIT COUNTRY, OFFICE OF EXIT EN ROUTE — PAYS DE TRANSIT, BUREAU DE PASSAGE DE SORTIE TRANSPORT-UNIT(S) EXPORTED WITH SEALS INTACT — UNITE(S) DE TRANSPORT EXPORTEE(S) AVEC DES SCELEMENTS INTACTS</p>
<p>PLACE AND DATE STAMP CACHET INDICANT LE LIEU ET LA DATE</p>	<p>PLACE AND DATE STAMP CACHET INDICANT LE LIEU ET LA DATE</p>
<p>36. TRANSIT COUNTRY, OFFICE OF ENTRY EN ROUTE — PAYS DE TRANSIT, BUREAU DE PASSAGE D'ENTREE TRANSPORT-UNIT(S) IMPORTED WITH SEALS INTACT, DOCUMENTS CHECKED, SATISFIED — UNITE(S) DE TRANSPORT IMPORTEE(S) AVEC DES SCELEMENTS INTACTS, ADMIS CONFORME SUR DOCUMENTS</p>	<p>37. TRANSIT COUNTRY, OFFICE OF EXIT EN ROUTE — PAYS DE TRANSIT, BUREAU DE PASSAGE DE SORTIE TRANSPORT-UNIT(S) EXPORTED WITH SEALS INTACT — UNITE(S) DE TRANSPORT EXPOR TEE(S) AVEC DES SCELEMENTS INTACTS</p>
<p>PLACE AND DATE STAMP CACHET INDICANT LE LIEU ET LA DATE</p>	<p>PLACE AND DATE STAMP CACHET INDICANT LE LIEU ET LA DATE</p>
<p>38. TRANSIT COUNTRY, OFFICE OF ENTRY EN ROUTE — PAYS DE TRANSIT, BUREAU DE PASSAGE D'ENTREE TRANSPORT-UNIT(S) IMPORTED WITH SEALS INTACT, DOCUMENTS CHECKED, SATISFIED UNITE(S) DE TRANSPORT IMPORTEE(S) AVEC DES SCELEMENTS INTACTS, ADMIS CONFORME SUR DOCUMENTS</p>	<p>39. TRANSIT COUNTRY, OFFICE OF EXIT EN ROUTE — PAYS DE TRANSIT, BUREAU DE PASSAGE DE SORTIE TRANSPORT-UNIT(S) EXPORTED WITH SEALS INTACT — UNITE(S) DE TRANSPORT EXPOR TEE(S) AVEC DES SCELEMENTS INTACTS</p>
<p>PLACE AND DATE STAMP CACHET INDICANT LE LIEU ET LA DATE</p>	<p>PLACE AND DATE STAMP CACHET INDICANT LE LIEU ET LA DATE</p>
<p>40. TRANSIT COUNTRY, OFFICE OF ENTRY EN ROUTE — PAYS DE TRANSIT, BUREAU DE PASSAGE D'ENTREE TRANSPORT-UNIT(S) IMPORTED WITH SEALS INTACT, DOCUMENTS CHECKED, SATISFIED — UNITE(S) DE TRANSPORT IMPORTEE(S) AVEC DES SCELEMENTS INTACTS, ADMIS CONFORME SUR DOCUMENTS</p>	<p>41. TRANSIT COUNTRY, OFFICE OF EXIT EN ROUTE — PAYS DE TRANSIT, BUREAU DE PASSAGE DE SORTIE TRANSPORT-UNIT(S) EXPORTED WITH SEALS INTACT — UNITE(S) DE TRANSPORT EXPOR TEE(S) AVEC DES SCELEMENTS INTACTS</p>
<p>PLACE AND DATE STAMP CACHET INDICANT LE LIEU ET LA DATE</p>	<p>PLACE AND DATE STAMP CACHET INDICANT LE LIEU ET LA DATE</p>
<p>42. COUNTRY OF DESTINATION, OFFICE OF ENTRY EN ROUTE — PAYS DE DESTINATION, BUREAU DE PASSAGE DE SORTIE TRANSPORT-UNIT(S) IMPORTED WITH SEALS INTACT, DOCUMENTS CHECKED, SATISFIED — UNITE(S) DE TRANSPORT IMPORTEE(S) AVEC DES SCELEMENTS INTACTS, ADMIS CONFORME SUR DOCUMENTS</p>	<p>43. OFFICE OF DESTINATION — BUREAU DE DESTINATION TRANSPORT-UNIT(S) RECEIVED WITH SEALS INTACT, ITS OPERATION COMPLETED, SATISFIED UNITE(S) DE TRANSPORT PRESENTEE(S) AVEC DES SCELEMENTS INTACTS, OPERATION ITE ACHEVEE, EN REGLE</p>
<p>PLACE AND DATE STAMP CACHET INDICANT LE LIEU ET LA DATE</p>	<p>PLACE AND DATE STAMP CACHET INDICANT LE LIEU ET LA DATE</p>

Convention douanière relative au transit international des marchandises (Convention ITI)

<p>1. CONSIGNOR (NAME, ADDRESS, COUNTRY) - EXPÉDITEUR (NOM, ADRESSE, PAYS)</p>		<p>2. ITI DECLARATION No. - DECLARATION ITI No.</p>	
<p>3. COMPLETION OF THESE ITEMS IS OPTIONAL. - REMPLIR CES ÉLÉMENTS EST FACULTATIF.</p>		<p>3. ADDITIONAL ITI DECLARATION FORMS ATTACHED - EXEMPLAIRES SUPPLÉMENTAIRES DE LA DECLARATION ITI CI-JOINTS</p>	
<p>4. CONSIGNEE (NAME, ADDRESS, COUNTRY) - DESTINATAIRE (NOM, ADRESSE, PAYS)</p>		<p>ITEMS 12 A; TO BE COMPLETED IN ALL CASES; 12 B TO BE COMPLETED WHEN THE FORM IS USED AS A GOODS MANIFEST. RUBRIQUE 12 A; À REMPLIR DANS TOUS LES CAS; 12 B; À REMPLIR QUAND LA FORMULE EST UTILISÉE COMME MANIFESTE DE MARCHANDISES. CONTENTS OF EACH TRANSPORT UNIT MUST BE SHOWN SEPARATELY. LE CONTENU DE CHAQUE UNITÉ DE TRANSPORT DOIT ÊTRE INDICUÉ SÉPARÉMENT. IF THE FORM IS USED ONLY AS A DECLARATION FOR TRANSIT, ITEMS 6, 12 A, 13 D AND 13 SHOULD BE COMPLETED BY THE DECLARANT IN ADDITION TO THE DECLARATION SECTION. SI LA FORMULE EST UTILISÉE UNiquement COMME DECLARATION DE TRANSIT, LES RUBRIQUES 6, 12 A, 13 D ET 13 DOIVENT ÊTRE REMPLIES PAR LE DECLARANT, OUTRE LA PARTIE RÉSERVÉE À LA DECLARATION.</p>	
<p>GOODS MANIFEST MANIFESTE DE MARCHANDISES</p>		<p>5. MANIFEST NUMBER - NUMÉRO DU MANIFESTE</p>	
<p>6. MEANS OF TRANSPORT - MOYEN DE TRANSPORT</p>		<p>7. CUSTOMS OFFICE OF LOADING (PLACE, COUNTRY) - BUREAU DE DOUANE DE CHARGEMENT (LIEU, PAYS)</p>	
<p>8. PLACE OF SHIPMENT - LIEU D'ÉMPEMENT</p>		<p>9.</p>	
<p>10. DESTINATION OF MEANS OF TRANSPORT - DESTINATION DU MOYEN DE TRANSPORT</p>		<p>10. DOCUMENTS APPENDED TO MANIFEST - DOCUMENTS JOINTS AU MANIFESTE</p>	
<p>11. A. TRANSPORT UNIT (TYPE, IDENTIFICATION NO.) B. MARKS AND NUMBERS OF PEGS OR ITEMS A. UNITÉ DE TRANSPORT (TYPE, NO. D'IDENTIFICATION) B. MARQUES ET NOS DES COLIS OU OBJETS</p>		<p>12. A. NUMBER AND KIND OF PEGS OR ITEMS, DESCRIPTION OF GOODS OR B. REFERENCE NUMBER(S) OF GOODS MANIFEST(S) APPENDED A. NOMBRE ET NATURE DES COLIS OU OBJETS, DÉSIGNATION DES MARCHANDISES OU B. NUMÉRO(S) D'ORDRE DU(DES) MANIFESTE(S) DE MARCHANDISES JOINT(S)</p>	
<p>13. GROSS WEIGHT PER CONSIGNMENT, IN POUNDS BRUT PAR ENVOI, EN KG</p>		<p>14. CUSTOMS SEALS (DATE OF AFFIXING AND OTHER DETAILS) - SCELLETS (DATE D'AFFIXATION, AUTRES CARACTÉRISTIQUES)</p>	
<p>15. DATE</p>		<p>16. NAME AND ADDRESS OF PERSON RESPONSIBLE FOR THE ACCURACY OF THE MANIFEST AND NOM ET ADRESSE DE LA PERSONNE RESPONSABLE DE L'EXACTITUDE DU MANIFESTE</p>	
<p>DECLARATION FOR TRANSIT DECLARATION DE TRANSIT</p>		<p>17. CUSTOMS OFFICE OF DEPARTURE (PLACE, COUNTRY) - BUREAU DE DOUANE DE DÉPART (LIEU, PAYS)</p>	
<p>20. I, THE UNDERSIGNED, DECLARE THAT ONLY THE GOODS LISTED IN THE GOODS MANIFEST(S) INDICATED ABOVE AND FORMING PART OF THIS DECLARATION HAVE BEEN LOADED IN THE TRANSPORT UNIT(S) SHOWN ABOVE. I ENTER THE GOODS FOR CUSTOMS TRANSIT UNDER THE ITI PROCEDURE AND I UNDERTAKE TO COMPLY WITH THE CONDITIONS LAID DOWN UNDER THAT PROCEDURE. JE SOUSCRIS CE DÉCLARATION QUE SEULES LES MARCHANDISES ÉNUMÉRÉES DANS LE(S) MANIFESTE(S) DE MARCHANDISES VISÉ(S) CI-DESSUS ET FAISANT PARTIE INTÉGRANTE DE LA PRÉSENTE DÉCLARATION ONT ÉTÉ CHARGÉES DANS LE(S) UNITÉ(S) DE TRANSPORT INDICUÉE(S) CI-DESSUS. JE DÉCLARE CES MARCHANDISES POUR LE TRANSIT DOUANIER SOUS LE RÉGIME ITI ET M'ENGAGE À RESPECTER LES CONDITIONS PROPRES À CE RÉGIME.</p>		<p>18. CUSTOMS OFFICE OF DESTINATION (PLACE, COUNTRY) - BUREAU DE DOUANE DE DESTINATION (LIEU, PAYS)</p>	
<p>21. DECLARANT (NAME AND ADDRESS) - DECLARANT (NOM ET ADRESSE)</p>		<p>22. DECLARANT'S REFERENCE NO. - NO DE RÉFÉRENCE DU DECLARANT</p>	
<p>23. HOLDER OF GUARANTEE CARD NO. - TITULAIRE DE LA CARTE DE GARANTIE NO.</p>		<p>24. PLACE AND DATE OF SIGNATURE - LIEU ET DATE DE SIGNATURE</p>	
<p>25. VALID UNTIL - VALABLE JUSQU'AU</p>		<p>26. SIGNATURE OF DECLARANT OR AUTHORIZED REPRESENTATIVE - SIGNATURE DU DECLARANT OU DU REPRÉSENTANT AUTORISÉ</p>	
<p>27. ISSUED BY - DÉLIVRÉ PAR</p>		<p>28. FULL NAME OF AUTHORIZED REPRESENTATIVE - NOM ET PRÉNOMS DU REPRÉSENTANT AUTORISÉ</p>	
<p>29. MEMBER OF (CHAIN) - MEMBRE DE (CHAÎNE)</p>		<p>30.</p>	
<p>31. DETAILS OF GUARANTEE CERTIFIED CORRECT - LES DÉTAILS RELATIFS À LA GARANTIE SONT CERTIFIÉS EXACTS</p>		<p>31.</p>	

NOTE: THE SIZE OF THIS EXAMPLE DOES NOT CORRESPOND TO THE SIZE OF THE STANDARD SIZE DECLARATION