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President Cargo  
and Vice President  
Airport Excellence  
American Airlines

Fall 2020

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# Reducing Roadblocks

## Improving Import and Export Capabilities



Michael R. White

The CNS Air Cargo Focus Magazine has had a long and successful run as the printed and digital voice of our industry leaders. Although just a quarterly magazine, it has been looked upon as something people look forward to reading.

We have recently moved our magazine from a printed form to a strictly digital format. This has allowed us to offset cost and increase our readership through the digital platform.

During my last 12 years at CNS, we have been key advocates for digitization. We began with IATA's e-freight initiative, which helped reduce the roadblocks of going paperless. A key reform that assisted us within the US, was the mandatory requirement for import data being sent electronically. Even government officials at some ports had issues doing away with paper. Now, we are getting close to finalizing the data elements so that programming can begin by US Customs and Border Protection (CBP) for the new electronic export manifest that is part of the Automated Commercial Environment (ACE) system.

This finalization of ACE Export will require house and master air waybill data to be sent electronically to CBP. It will ensure that data will automatically be updated to the Census Automated Export System (AES) that shippers must file. At the end of the day, this will improve US export capabilities and fill in the missing part of what e-freight needed—paperless export.

For 2021, we will be meeting the new 100% cargo screening requirements for international freighter aircraft. This is a major shift and it is important for everyone in the supply chain to be prepared for the new requirement in June of next year.

The parts we have been pushing for are now being driven by government requirements. Some airlines have been good about requiring that advance electronic master and house data be sent prior to acceptance. Other airlines prefer that electronic data be sent with the cargo. The remainder are content with using paper for house and master air waybills.

When an inclusive, affordable digital solution replaces paper as its key medium, the entire industry will have the ability to move onto the next logical platform. COVID-19 has shown the importance of electronic data for those working from home and those on the frontline who do not want to touch paper documents.

In the next two years, US government agencies will require an electronic export manifest. As airlines drive customers paperless, staff members can monitor vital information remotely. It is time to take the final steps and digitize, digitize, digitize.

Never before has a perfect storm in the digital world ever come together as well as it has in 2020. The global pandemic has proven that changes are not only needed but required. Companies should take advantage of streamlining their supply chain and partner with those leading the efforts to do so. It will save money, time, improve service and workflow.

During my time at CNS we digitized everything in our CASS operations. To improve and monitor issues we now require people to use our CASS portal. This allows us to capture more information on issues our customers face. To reduce time and cost, our payments are totally electronic, and we have stopped accepting paper checks. The CASS databases are being updated, and this year we are asking our users to take a closer look at their profiles during our annual renewal process. All CASS contracts have moved to electronic signatures and electronic archiving.

I hope our efforts to help digitize the industry will advance the goals to reduce paper and processing in the air cargo supply chain. For the last 12 years this work has been moving forward but now is the time to carry it over the goal line and focus on the future. The digital world is here—ready or not!

For all of you, I hope that you stay well, and we all look forward to what the future holds.

Michael R. White

President, CNS



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# Small Business Matters

## The Economy, Forwarders and Supply Chain Equity



Robert Louis Christensen

A pyramid's strength lies in its foundation. Economists combine studies of costs, markets, antitrust laws, regulations, budgeting, inflation, unemployment and interest rates with empirical fact-findings based on historical data. Theoreticians are called upon by governments and businesses to forecast threats to the status quo. A false supposition overlooks the fact that economies are built from the bottom up.

The origin of the next financial crisis will emanate from individual bankruptcies. Duplicious federal bankruptcy laws divide the economy into large and small businesses, when in fact, one entity cannot exist without the other. Large corporations take advantage of protection laws under Chapter 11, allowing corporations the time to reorganize debt and enter into merger agreements. Chapter 7 bankruptcy laws are applied to sole proprietors and individuals. These laws terminate businesses and are used as a punitive response. The first set of laws gives protection, the second set produces shutdowns. Small forwarders fit into the individual bankruptcy category.

Government bailouts operate similarly to bankruptcy laws. The larger airlines received financial packages after the onset of the coronavirus. Insurance companies and banks obtained bailouts during the savings and loan crisis. In 2009, automobile manufacturers secured bailouts and other financial assistance. These types of government intervention grants politicians more power to pick winners and losers.

If a stimulus package is the main economic solution, the economy will remain suppressed. A weak supply chain is in danger of becoming a tenuous link between politicians and special interest groups. Small business is the country's foundation and should be represented at government and private enterprise negotiating tables.

Future supply chains will be fully digitized. If application and program prices continue to remain out of reach for small business, then optimized logistics solutions are predestined to fail. The same holds true for blockchain propositions that exclude small stakeholders.

Free enterprise works. Our economy is the envy of the world and welcomes foreign investors and business associations to join the system. The industrial revolution birthed the "top down approach,"

which is an authoritative method leadership style used for unskilled workers. Their systems have one thing in common— they determine solutions independent of outside influence. The Roman empire fell from the inside when these rulers prevailed.

The pandemic exposed many enterprise and individual inequities. Political parties, global associations and software companies catering to large business customers and ignoring its base are doomed to repeat history. Although Bernie Sanders kept dropping out of the race, his small donor contribution theory proved the power of the base.

A smart logistics association would choose a more comprehensive open-door approach that encompasses and supports all stakeholders with equal votes and a voice for opinions.

Progress will be made when small business interests are represented by politicians, associations and software developers. When change is embraced, it will break the continuation of failed policies and establish new insights into the social and economic issues facing our country and our industry.

I welcome the day digital systems and applications are available to the entire supply chain. Suppliers of digital toolsets will enjoy greater success when every company is accommodated.

Representation and speaking with one voice will rewrite both short-term goal solutions and short-sighted laws. Supply chain digitization is not optional and will require that every stakeholder secures the necessary tools to participate. Sliding prices based on company size for digitized applications, will help create an equitable answer to monolithic pricing. It is time to advance logistics. True tech pioneers are those who will contribute to everyone's greater good.

One last thought... from the moment this pandemic entered our lives, significant personal challenges struck our logistics family. What became evident was the number of people who stood to help others.

Robert Louis Christensen

Editor in Chief



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We welcome your comments, opinions, suggestions, and input for topics to be covered in this and future issues of *CNS Air Cargo Focus Magazine*. We are always pleased to hear from you. You may contact the editor at [robert@airliners.tv](mailto:robert@airliners.tv). The Fall 2020 eBook edition of this publication is available online at [www.cns.net](http://www.cns.net)



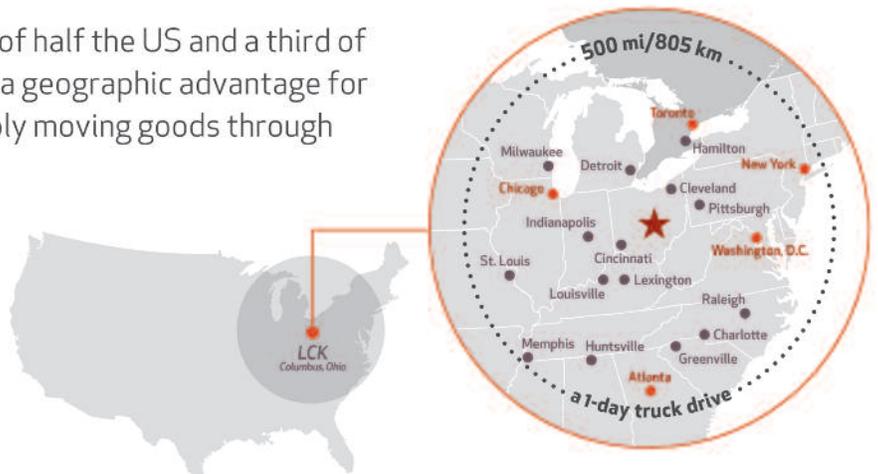
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# IATA's ONE Record

## Data Sharing Standard Facilitates True Digital Cargo

Henk Mulder, Head of Digital Cargo, IATA



Henk Mulder

Digitalization has been a tough topic in air cargo for decades now. A lot of great work has been done and most airlines and forwarders have embraced the digitalization of their business to varying degrees of success. But as an industry we are still in the stone age, using antiquated data formats such as Cargo IMP to exchange data for the bulk of our inter-company data exchanges...

### Enter COVID-19

Which airline or logistics partner is capable of selling, fulfilling, handling, invoicing and settling their cargo business fully digitally? Who can claim that truckers don't have to walk up to a counter and drop off piles of documents? Who can process these documents without the need for back office people shuffling through paper and keying in data into a cargo management system? Who can even claim that they are working on fully removing paper and manual document processing from their business? Not so many. This isn't a criticism: full digitalization in a global logistics network is very, very hard. But hopefully, COVID-19 makes it clear that doing business digitally, with teleworking teams, in a touch-free world is the necessity rather than a nice-to-have.

If the current crisis with teleworking at a global and massive scale has shown us anything, it is that it can be done. Digital solutions exist at a vast scale with adequate global communication infrastructure to support it. From that perspective, the air cargo industry is "nearly there."

Beyond digital solutions, the industry standards have evolved as well, to a point where we can confidently say that the standards are leading the digitalization curve, rather than trailing it, as has been the case in the past. IATA's ONE Record standard for data sharing embraces some leading-edge technologies that will highly relevant for at least the next decade or two.

### What problem are we trying to solve?

The fact that air cargo moves around the world, could be seen as evidence that all is well. But is it? Ask a shipper if they have any issues with cargo and they will tell you that there is an absence of visibility and transparency. Where is my freight? When will it get there? The problem we need to solve is best seen from a hindsight viewpoint. Imagine a world of logistics where every party has complete visibility of the information that they need. Logistics managers would not only

manage the operational flows and disruptions with full support from automation, they could even plan with predictions based on history using algorithms and AI. Carriers would be able to dynamically move capacity where it is needed, i.e. where they can maximize their utilization and revenues. Imagine a customer who can plan with a high degree of certainty on the receipt of goods?

Now take that away and come back to the world of paper documents and manual processing. The opportunity cost of non-digitalization of air cargo – and logistics in general - is incalculable and probably, unsustainable. Surprisingly perhaps, the solutions needed are easy and available and very mature. Privately, we are capable of doing almost anything we need to with our mobile devices. The digital natives that are currently studying at our universities are virtually incapable of getting through the day without present day technologies. What are these technologies? The fundamental component is the internet and the world wide web where data is easily shared and found. On top of that, we have great infrastructure like massive cloud capacity like AWS, Azure, etc. There is not much you can't do from a simple browser, including developing state of the art big data and AI solutions and deploying them to your customers. There is an army of full stack developers around the world that will deploy free apps and services on the off chance that they can tap into massive user communities.

But it all starts with returning decades old technologies like Cargo IMP messaging back to the era it was conceived in, half a century ago. ONE Record does exactly that. It defines APIs, data models and security that put air cargo firmly in the 2020 baseline technologies that digital natives need and expect.

### Messaging vs Data Sharing

Data sharing is very different in concept than messaging, which is what the air cargo uses currently. In messaging, each party in the logistics chain passes information about the cargo shipment from one party to the next, mostly in the form of electronic documents in Cargo IMP or XML format.

Data sharing on the other hand, means that each party in the logistics chain, makes relevant data available through a web API such that any other party that needs that information can access it as and when it's needed. So, whether it's through messages or data sharing, the same data is made available. What's the difference?

When messaging documents, a shipment is essentially supported by a stack of documents. Much of the information related to the shipper and consignee, about the shipment and its journey will be repeated



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across documents and must of course be the same. If here is an issue, documents must be corrected and resent. This is natural to our business, because this is what we do today.

With data sharing, data is available via web URL's just like information on a website. A shipment is then represented as a virtual record made up of data from all the relevant URL's supplied by the logistics partners. Each one will most likely use a tool that assembles the relevant information on a single device and they will always have the correct data as supplied by the relevant party. There is no duplication nor superfluous information.

Comparing messaging with data sharing is like comparing lengthy email trails with many attachments to a slick website that has all the info we need where we can drill down into the data we are interested in.

#### **IATA's ONE Record – a data sharing standard**

Technically, data sharing is simply what we've done on the world wide web since its inception 3 decades ago. To put data on the web, you just need data and a web server. Therefore, ONE Record specifies a data model, a web API and data security for web servers. Anyone can implement this standard either by downloading it or using a cloud service and start sharing data immediately.

ONE Record standard embraces very mature web technology with a

fully featured API that provides for plug & play connectivity between logistics and transport partners. They can connect and set up automated data links that update and inform each other of any changes in the data. Data is secured and encrypted, and companies can assert each other's identity and manage access to data based on user's roles and identity so even though the data is on the internet, only the right and authorized people can access it.

ONE Record uses a powerful data technology known as "linked data". This is simply the idea that you can link data sets together through web URL's. This allows you to create powerful networks of data by linking up relevant data from the logistics and transport partners and create your own data 'universe'. This is so much more powerful than processing stacks of documents. Linked data in logistics and transport is just as powerful as the world wide web that has connected and transformed the global economy. Using linked data, we will be able to use search engines to find data services and seek out and contract logistics services with the same facility that we find anything on the internet. And all of if this can be done automatically.

#### **EPIC: Connecting the dots**

Global transport and logistics are a global network of many different services and computer systems. As much as we may dream of a future where all systems are easily connected and automated services, the

reality is that business is conducted in every way that it's possible. We see the use of paper, fax, telex, type B, FTP, web, API and more, even within the same company. Different markets, different stations and different companies use a combination of these communication technologies. But who uses what?

Almost all these companies are maintaining lists of connection options and parameters of their partners. Imagine the complexity of an airline that who operates in 50 locations, using the range of technologies above, for hundreds or thousands of logistics partners. Any error in those lists immediate cause connectivity issues that require experts to fix it.

Earlier this year, IATA launched a new service that solves this problem: EPIC, short for Enhanced Partner Identification & Connectivity. This service allows airlines, forwarders, CCS, IT companies, customs, mail operators etc, to define the connectivity options in their stations, the parameters and the local contact details. It allows them to define who they will connect with and what options they can provide.

In a real sense this allows these companies to distribute their connectivity capabilities. EPIC is far more than a powerful logistics systems directory; it is a connectivity control tower.

#### **Are we ready for true digital cargo?**

Anyone that has spent time in developing systems in logistics and transport knows how long it can take for industry standards to be implemented at a network scale. Will it be any different for data sharing initiatives like ONE Record? It is easy to fall prey to scepticism and assume that past failures to fully embrace state of the art technologies in global logistics are a predictor of the future. But there is an excellent reason why we should not do so: millennials and digital natives.

Within a decade this group of young people will be leading our industry. This generation wakes up and goes to sleep with digital technology every day will make short order of anything that doesn't meet their digital expectations. From this perspective, it is in the interest of today's leaders to ensure full digitalization and global connectivity to the highest degree. We must retire 50-year-old technologies like Cargo IMP based messaging and prepare the ground for the next leaders or else, we can expect to see an unmanaged and massive logistics tech disruption with a decade...

The good news is that today's logistics and transport leaders are sufficiently well versed in the post-web technologies, including web API's, full stack technologies, cloud, blockchain, AI and everything in between. But change is always hard. It may appear easier to leave things as they are but aside from the massive disruption down the road, this misses some great opportunities that are there today.

During the development of the ONE Record data sharing standard, IATA organized hackathons to attract innovative talent to test drive the technology and see what they could do with it. The outcome has

been inspiring. During these high energy events where people gather for a weekend and rapidly develop apps and solutions in just a couple of days, the solutions produced were of a different level. Although ONE Record envisions a global network of fully connect logistics and transport companies, often referred to as the "Internet of Logistics," the hackathon teams used the standard to integrate with advanced API's from the likes of Google and Amazon and produces apps with full AI features and thus create value long before the standard is globally deployed. One of the winning solutions used a mobile phone to scan an unknown package and based on its features and markings – which were detected using an AI scanning algorithm – it searched a global data base to trace back lost cargo that had been reported. Another team developed a full system to coordinate Uber-like last mile services to create a full end-to-end transport offering on a network basis, much like a socially connected interline network. Yet another team used the simplicity of ONE Record API's to integrate the cargo and passenger booking and operational systems – that are mostly separated – a provide a passenger a joint travel experience with their pet who travels in a cage in the hold of the same aircraft.

This illustrates the true value of digitalization in air cargo. Yes, we desperately need to upgrade our electronic message-based system to a digital Internet of Logistics but the immediate payback is in building value added solutions using new standards like ONE Record.

#### **Coming soon in a station near you**

ONE Record is currently being piloted by more than 50 companies in 7 pilot sites around the world. These pilots are a platform for learning, testing, development and cooperation. Some companies join these pilots because they want to find out more about data sharing and the ONE Record standard. Others already understand the concepts and want to try out the technology on a test basis, in a safe and risk-free environment. Some are fully ready to deploy such data sharing platforms and are developing commercial offerings like "ONE Record as a Service" that they need to test with other partners.

Probably the most valuable part of these pilots is that it gathers likeminded companies that have understood that innovation in digitalization of logistics and transport at a global scale is a joint effort. Network innovation is a story of cooperation, not competition. That doesn't mean that there is no competition, but it recognizes that there is no competition without competitors and the best competitors are often also the best friends. What better argument for engaging in a ONE Record pilot?



**NOTE:** For additional information on ONE Record, please visit: <https://www.iata.org/en/programs/cargo/e/one-record/>  
For additional information on EPIC, please visit: <https://www.iata.org/en/publications/store/epic/>



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# From the Top

## Jessica Tyler, President Cargo and Vice President Airport Excellence, American Airlines

Interview by Robert Christensen and Kathy Belmont



Jessica Tyler. Photo courtesy American Airlines.

### About Jessica Tyler

Jessica Tyler was named President Cargo and Vice President Airport Excellence in June of 2020, leading the teams responsible for delivering operational and customer service excellence for our airports and cargo division. In this role she'll support the teams that care for and equip our cargo and airport teams so they can continue to provide an exceptional experience for our customers around the world.

Jessica most recently served as Managing Director Strategy and Development for the Cargo division where she led a multi-year digital transformation to modernize and simplify all the organization's legacy technology. Earlier in her career at American, Jessica led the team that merged the cargo divisions of US Airways and American Airlines, an integration that the industry considers the most successful cargo merger to date.

Prior to her role at American Airlines, Jessica was a Global Practice Leader at Gallup, Inc. where she worked with Fortune 50 executive teams to architect strategies to strengthen the connection between the employee and customer experience.

Jessica is known for empowering large teams to innovate and modernize to provide a better work environment and improved customer experience. Jessica holds a doctoral degree and MBA from Texas Christian University and a degree in mathematics from Vanderbilt University. She's actively involved in her community, having served on the board of a local non-profit and volunteering with local organizations. She lives with her husband and three sons in Southlake, Texas.

**Focus:** Please share your aviation history, the duties with American, as well as, technological integration experiences.

**Tyler:** I joined American Airlines Cargo in early 2012, so a little more than eight and a half years ago. I led a Change Management Group within Cargo, and later supported the Cargo division during our merger with US Airways.

In my new role, I lead the teams responsible for the success of our cargo business. My teams also plan industry-leading customer service within our airports and in our cargo operation. Our organization will retain separate airport and cargo functions but will benefit from the blending of the talent and expertise of the two teams in multiple areas, including strategy, policy and procedures, training, automation and innovation.

It's really exciting for these groups to come together in a way that will help us work in a more unified way. It's never been done before, and we have a tremendous opportunity to align our talent in a way that helps us deliver excellent customer service for both cargo and passenger customers.

We have so many dedicated leaders in this organization, including Roger Samways, who now leads the commercial group which encompasses sales and revenue management for Cargo, and David Vance, who continues to lead our global cargo operations but also supports our airports around the world as they implement policies, procedures and ramp technologies.

**Focus:** What are American Airlines Cargo's top priorities and customer advantages?

**Tyler:** Our priorities at American Airlines Cargo revolve around the



American Airlines Cargo team members build a pallet at the Dallas/Fort Worth International Airport (DFW) cargo warehouse. Photo courtesy American Airlines Cargo.

safety of our team members and customers while meeting the needs of our customers to move crucial goods around the world. We are dedicated to supporting our team and our customers — and now we're in a unique position that allows us to rethink everything we do. We're dedicated to discovering ways that help our customers keep the world's economy moving. It's a big responsibility, but if we can succeed, we can ensure American Airlines Cargo is around for another 75 years and beyond.

We are proud of our network, including our new cargo-only flights. Operating a cargo-only network is something we hadn't done in more than 35 years, so our team had to write a new playbook. Team members across the company are working closely with our customers to offer solutions that meet unprecedented demand. At the same time, they're ensuring that everything we offer makes economic sense for the airline. We started with around 20 cargo-only flights in March and will offer more than 1,000 cargo-only flights in September. We are committed to our team and our customers, and we will continue to provide excellent customer and operational service as we move forward in this ever-changing environment.

**Focus:** Please describe American's "next generation cargo management system."

**Tyler:** In the fall of 2019, we transitioned from using more than 90 systems — some of which were 40 years old — down to around 10 systems. This move helps us create a streamlined ecosystem that is

based around the iCargo platform. This project is the most complex effort I've been a part of in my nearly 50 years on the planet. It is an enormous technology effort.

But we recognized early that changing the way we approach our work is just as complex. We've invested money, time and energy to make sure we're on the cutting edge, but the technology is only as good as the team that knows how to leverage it and create great experiences for our customers. Our talented team is leading the change and all that comes with it to position us as the best cargo partner in the world.

We reduced complexity with great technology and a nimble team that stays focused on our customers. If you have an open mindset, there is always some experience or interaction you can simplify. You can't completely eliminate complexity, but by listening to your teams and your customers — and trusting that you have a well-thought out process — you can always find new ways to simplify daily interactions.

In 2018, we talked about new technology, but there was little discussion about how we can implement procedures and the way we move forward. We have to break away from that and shed our baggage, no pun intended. Our modernization journey at American has us doing just that — reimagining the ways in which we communicate, collaborate and innovate with our teams and customers.

**Focus:** What new tools are available to customers and team members and what feedback have you received?

**Tyler:** From the initial go-live last year on October 1, we've launched numerous customer and team member features — many of which focus on contact-less and self-serve capabilities, such as online claim submissions, route searches or rate pulls. We've also improved syncing capabilities within our teams and cargo facilities, reducing paper usage and enhancing tracking visibility for our customers through the increased use of scanners and other tools. While these features are all important, and they're a big step in modernizing the way we support our customers, this is just the beginning. The real strength is in this foundation. Having an end-to-end platform with just a handful of systems opposed to the nearly 100 systems we used to have allows us to adapt, offer new solutions and grow. The opportunities are endless, and that's really exciting.

**Focus: How important is maintaining trucking relationships for next-day consumer customers?**

**Tyler:** Our trucking network is a crucial part of our network. Today, we operate about 600 trucks daily, and they help us connect more customers to our air network in a cost-efficient and timely manner. We have a surface logistics team that oversees our trucking operation and finds creative ways to get freight from our offline cities to our hubs. We worked with the IBS team to create new trucking management tools within iCargo that allow us to more effectively and efficiently connect customers with our global network. Nearly 30% of all our ConfirmedFS and ExpediteFS shipments — the products we offer for the fastest flight connections and priority boarding — are carried by our trucking fleet at some point along their journey.

**Focus: How is American making the most of increased demand and tight supply? What services been introduced?**

**Tyler:** This has been a challenging and unprecedented year for American and the entire industry. Passenger demand is historically low, and uncertainty is historically high. We must remain nimble and creative to position the airline to succeed when demand ultimately returns.

For Cargo, the biggest challenge we've faced is that we have more demand than we can accommodate. We launched our first cargo-only flights in March and have continued to expand those to new locations based on what our customers are saying. In fact, we've flown more than 1,500 cargo-only flights so far. Our current widebody schedule is a combination of passenger flights and cargo-only flights, and I foresee this model remaining into the second half of 2020. As international passenger travel is still limited, we will continue our cargo-only flights as long as the economics make sense.

**Focus: Since your arrival what new relationships have been created, how do customers benefit?**

**Tyler:** The benefit of our new organizational structure is that it blends our talent and procedures in a way that builds strong relationships across Airports and Cargo teams. It places an even stronger focus on recognizing Cargo customers as American Airlines customers, positioned right in line with our corporate and elite passengers. I'm excited to see how we will continue to benefit from this alignment, and the shared goal we have to provide an exceptional experience.



An American Airlines Cargo team member prepares cargo for loading. Photo courtesy American Airlines Cargo.



Two American Airlines team members work together to use technology at Los Angeles International Airport (LAX). Photo courtesy American Airlines Cargo.

**Focus: Have established protocols been sufficient to satisfy customers and employees?**

**Tyler:** The safety of our customers and team member will always be our highest priority. We have a company-wide Clean Commitment initiative that prioritizes health and safety across all areas of the customer journey. This includes enhanced cleaning practices — providing hand sanitizer and wipes at our stations, re-organizing common areas to support social distancing and requiring face coverings for team members and customers alike.

American also created a new Travel Health Advisory Panel in partnership with Vanderbilt University Medical Center. These experts advise us on the best health and cleaning practices to keep our team members and customers safe. Our new organization is responsible for all the policies and procedures behind these cleaning efforts as well as leading the airline's Health and Safety Task Force. We continually evaluate measures to meet or exceed CDC guidelines.

**Focus: Has American Airlines Cargo created competitive space for small- to medium-sized forwarders?**

**Tyler:** We have an extensive narrowbody fleet that operates a large majority of our domestic routes. In September, we will operate more than 40,000 narrowbody aircraft and will continue to increase these domestic flights as passenger demand rises. These aircraft are well

suited for small parcels, which includes most e-commerce traffic. We have been supporting e-commerce for a long time. Together with our customers, we help make sure your online purchases are on your doorstep as promised.

**Focus: What security protects customer details and contacts?**

**Tyler:** American has robust cybersecurity and data privacy programs in place designed to protect customer data in accordance with industry standards.

**Focus: Has shifting shipping locations, during the pandemic, affected customers? What challenges faces the logistics industry today?**

**Tyler:** First and foremost, we are dedicated to making sure our airline plays a part in helping the world emerge from the COVID-19 pandemic. Our team has a responsibility to do everything we can to move critical goods and essential workers wherever they need to go, on time — and that's a responsibility we take very seriously.

Over the last several months, we've devoted significant resources to help us evolve in this COVID-19 world. We'd like to see the industry come together to ensure the entire supply chain is ready to efficiently serve the world. Our teams are prepared, and we want to make sure our industry can help deliver solutions that help humanity recover.

Whether it's delivering medicine for clinical trials or moving vaccines to hundreds of millions of people, we are ready.

**Focus: Why have international shipping become more complex?**

**Tyler:** The logistics of international shipping constantly evolve as governments around the world deal with COVID-19 spikes and hotspots. Changing customs requirements and quarantine regulations have taken a bit of extra effort and time to resolve, but our team has found ways to safely keep our crews flying the world's best network.

**Focus: Describe American's temperature-controlled containers and the progress made in this area?**

**Tyler:** We're constantly looking for ways we can use advanced shipping techniques to best serve our customers' diverse needs. Our ExpediteTC service, for instance, is an excellent product for time-sensitive and temperature-controlled shipments. It's become a reliable way for customers to ship pharmaceuticals and medical supplies that need to be moved quickly, and within a controlled climate. We carried nearly 20 million pounds of ExpediteTC cargo last year.

ExpediteTC has been particularly important amid the COVID-19 pandemic. In fact, we've been flying COVID-19 vaccine trials with our ExpediteTC product since spring. These vaccine trials, like most temperature-sensitive shipments, cannot be stored in locations without climate control. With the ExpediteTC product, our team can also configure the network of cooler space already in our cargo terminals.

**Focus: What supply chain considerations needs be addressed to consolidate shipping needs?**

**Tyler:** The challenge to any supply chain is that it's beholden to decades-old practices in which information flows inefficiently. Each member of the supply chain tries to solve the same challenge — from the shipper, to the freight forwarder, to the land and air carriers, and others. Everyone wants more effective data transparency and tracking, but they all have their own systems, apps, messaging platforms, etc. In this product segment, air carriers need to work closer together to ensure that every link in the chain has controlled and coordinated hand-offs. Today, we have incredible high-visibility team members that act as virtual escorts for these shipments. Since launching iCargo, this team has been able to use pre-alerts and proactive monitoring to face any challenges along the way.

**Focus: Talk about American Airline Cargo's expansion?**

**Tyler:** We are hustling, planning and reimagining the way we do business. Our goal is to exceed the expectations of our customers, the

industry and the world. So, it sure doesn't feel like much is on hold. We may be conserving cash, but our team remains nimble and creative in order to best serve our customers. The hard work we've been doing for the past few years to build our new system has prepared us for this moment — we just didn't know when our preparation would be put to the test. But that's the way strategy works now. Five-year strategic plans are a thing of the past, and the best way to prepare for a changing environment is to always be nimble, creative and thoughtful. Having been intimately involved in our transformation efforts and knowing the talent we have in key leadership positions, I have a ton of confidence in our future. Despite the current environment, my forward-looking views are very positive, but that's how I see the world. If things don't seem positive, it's up to you to make a path towards positivity.

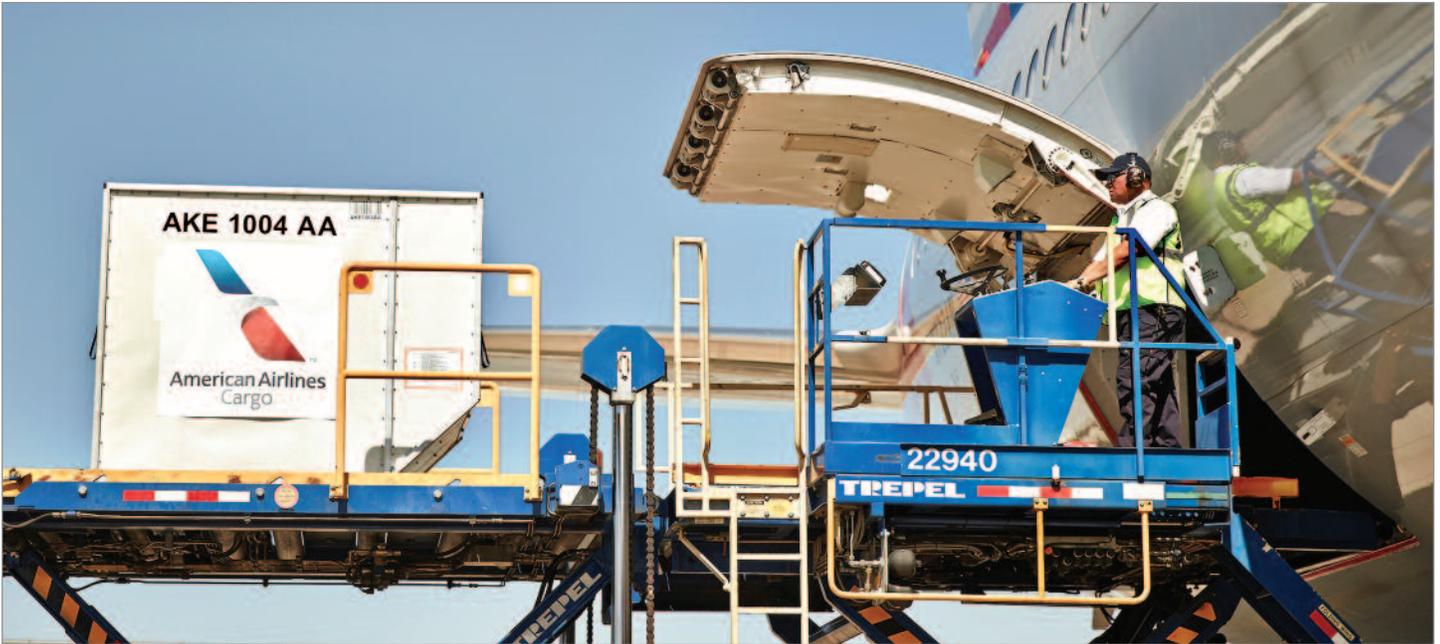
**Focus: If you created an industry master plan, what and who would be involved?**

**Tyler:** Your question might require a fairly complex answer, but I'll try to give you my simple view. Right now, my plan would involve disrupting the system. We are a bunch of disconnected individual entities at the moment, and the pace we're operating at makes us ripe for disruption. There will be a solution and, with enough critical mass, we'll all challenge the value certain individual entities bring to the chain. There are several other industries where we've seen this happen. That's not a bad thing, by the way. It means we all need to make sure we know what our value is in a world like that. Currently, however, the answer is governing entities, like IATA, that work on initiatives like One Record. Helping IATA by moving faster and collaborating more quickly doesn't mean disruption won't happen, it just might be a more participative disruption, rather than draconian.

**Focus: What training or degrees do you recommend new applicants applying to American Airlines Cargo?**

**Tyler:** From my earliest hiring manager days hiring classroom teachers and athletic coaches, I quickly learned that certifications, degrees and skills are just words on a page. They really don't predict much. Sure, there is a correlation to things, like better salaries, longevity and more. To me, there isn't a particular path that is crucial to thriving. Instead, an ideal team member is someone who seeks to learn more — someone who is always curious and always growing. Great team members work on themselves and support others in their growth and development.

I'm a big believer in understanding your strengths and bringing them to bear on different problem sets, regardless of industry, function or business. I believe the most important skill a leader can have is the



An American Airlines team member loads cargo into the belly of an aircraft at Dallas/Fort Worth International Airport (DFW). Photo courtesy American Airlines Cargo.

ability to grow the strengths of each individual. Sure, there are thousands of skills, training courses and degrees that will make you a better candidate, but I'm not sure there are specific ones that will make you the perfect candidate for a role in Cargo. Your approach to growth and learning are important. Candidates with the right approach can have millions of experiences or paths.

**Focus: Should people believe the airline industry can still offer a lifetime career?**

**Tyler:** Absolutely. There are so many people I know personally that have been at American Airlines for decades, but if you ask them, they don't say they've had one career. They say they've had 10 careers within the same organization.

No matter what you are interested in, good at, or passionate about, there is likely a job within this industry that fits you. I had a meeting yesterday with our accessibility team — a team dedicated to making the travel experience great for every customer, regardless of their unique needs. They could live their passion in a number of other industries, but instead they are at American, making sure that travel — an essential part of life — is smooth and enjoyable for each and every customer. I could name so many other examples across cargo and airport teams.

There is something about the industry that pulls people in. There is a saying in aviation that people who work in the industry get “jet fuel in their veins” — meaning they never want to leave. Or maybe someone starts out as an AvGeek and eventually makes their way into the industry to feed that natural interest. However you end up in aviation or however long you stay, there are so many opportunities for growth.

It takes a lot of work to operate an airline, and there is a wide variety of roles and responsibilities. I'm still learning more and more each day, and that's part of the challenge and excitement in aviation.

**Focus: Whenever you face uphill battles, what keeps you going?**

**Tyler:** When I look at the team around me, I'm inspired by how strong and collaborative they are. We all come together in the toughest times — right now included — to care for each other and deliver. For me, it's like a jolt of energy. If the people around you don't help put your feet on the floor each morning, you're in the wrong place. My feet hit the floor pretty dam quickly every day because of the people around me and the meaningful work we do together.

**About American Airlines Cargo**

American Airlines Cargo's first flight took off on October 15, 1944 as a 19-hour flight from New York City to Southern California. Operated with a Douglas DC-3 aircraft, the flight moved more than 6,000 pounds of cargo and is recognized as the first scheduled air cargo flight from LaGuardia Field to Burbank, California.

As it celebrates 75 years of service, American Airlines Cargo now provides one of the largest cargo networks in the world, offering cargo terminals and interline connections across the globe. Every day, American transports cargo between major cities in the United States, Europe, Canada, Mexico, the Caribbean, Latin America and Asia.



**NOTE:** For additional information, please visit: <https://www.aacargo.com>

# From the Top

## Lars Winkelbauer, Executive Vice President and Chief Operating Officer, Polar Air Cargo

Interview by Robert Christensen and Kathy Belmont



Lars Winkelbauer

### About Lars Winkelbauer

Lars Winkelbauer was named Executive Vice President and Chief Operating Officer Polar Air Cargo Worldwide in July 2018. Based in Purchase, New York, he has responsibility for all aspects of aviation operations, strategy, and service performance in the worldwide Polar network.

Mr. Winkelbauer serves as an ambassador for Airlink, the rapid-response humanitarian relief organization that connects airlines and non-profits to help communities during crisis, and is passionate about greening efforts that will help the airline industry have a positive impact on the environment. Born and raised in Germany, he currently lives in the New York Tri-State Area with his wife and son, and together they enjoy hiking and traveling.

Prior to his current role at Polar, Mr. Winkelbauer served as Vice President Aviation Express for DHL Asia Pacific from 2014 to 2018. Before

that, he was with Polar as Vice President, Marketing, Revenue Management & Network Planning and was responsible for all aspects of marketing, revenue management, capacity management and network planning. Prior to that, he was Senior Director, Global Network Management & Planning and Director of Capacity Management for the Americas Region. Mr. Winkelbauer previously worked within the Lufthansa Group, where he held a number of management roles in North America, the Middle East and Africa.

Mr. Winkelbauer received his bachelor degree in international business and marketing from Loyola University in New Orleans and master's degree in international management from Long Island University's C.W. Post branch and Franklin College, Switzerland.

### Focus: What are the duties of Polar Air cargo's Executive Vice President and Chief Operating Officer?

**Winkelbauer:** That's a great question – I think the top and bottom line of it is establishing the strategy to make the business sustainable – we call it "Futureproofing" at Polar. It means developing the right goals and objectives and setting the tone at the top, inspiring people to rally around the course that we are plotting for the company and our customers, taking steps to modernize and ensure we remain a relevant player. It means focusing on the role of each person at Polar, making sure everyone has an opportunity to grow, to learn and collaborate. It means getting the right people into the right jobs, not just for now but for the future – making sure we evolve to continue to exceed our customers' expectations. And, finally, for Polar it means taking steps to contribute to the world around us, through community support and involvement, and by minimizing our impact on the environment.

### Focus: How have your lifestyle and work habits changed since the pandemic?

**Winkelbauer:** To be honest, things have not changed a whole lot – and the tempo has remained high. Certainly, there is no travel and for the majority of our office-based employees, myself included, we are not headed into the office every day. Our essential workers on the ground at airports around the world have continued to operate throughout the pandemic, for which we and our customers are very grateful. We continue to have virtual meetings with our teams around the world – as a global organization we have always relied on technologies to keep as connected as possible. I miss seeing the team based in Purchase, NY with me on a regular basis, but we are very



Polar 747-400F departs Ted Stevens International Airport in Anchorage, Alaska. Photo courtesy Polar Air Cargo Worldwide.

much aligned and in sync. On the positive side, without the commute and travel, I have enjoyed more time at home with my wife and son.

**Focus: What percentage of the Polar Air Cargo team work from home?**

**Winkelbauer:** Each market right now has different conditions and requirements. All of our essential workers, our ground crews at stations around the world continue to work on site, keeping cargo flowing, moving essential goods. We are very appreciative of their efforts and attention to safety. More than 75% of our office workers continue to work from home at this time. As a 24-hour operation, we have always had flexible working arrangements with our teams working late nights and early mornings to maintain connections with colleagues around the world. No one has missed a beat and that's a testament to the Polar team.

**Focus: Are positive diversity steps being made by our industry?**

**Winkelbauer:** I feel good we are doing our part to enhance the diversity within the industry, and I know as an industry we can make a difference in this area. Our goal is to be sure every person and every idea is heard and valued, because we know that richness in diversity and perspective leads to better solutions for Polar and our customers.

The diversity of our Polar executive team is industry leading - nearly half women, more than half from countries outside the US, ethnically diverse - and truly representative of the diversity throughout Polar. In addition to the diversity that we have in place, we have laid the foundational platform to invite contributions from everyone across the business. We've launched training to level the field and make sure opportunities reach everyone across our network. We collaborate with high schools, community colleges, and Ivy League schools to make sure we are presenting logistics management opportunities to young people across socio-economic backgrounds. We want to bring as many people and perspectives into our field as possible.

**Focus: How does operational procedure overlaps between Polar Air and Atlas Air benefit customers?**

**Winkelbauer:** Polar Air Cargo's ability to scale and diversify to meet our customers' needs is enhanced by our position as an Atlas Air Worldwide subsidiary. The Polar and Atlas operational infrastructure and crew is integrated, which gives Polar and our customers access to a large network and vast degree of expertise. Overall our customers benefit from additional capacity, and in the event of any kind of disruption - for example, airport delays - we can recover faster because we have a broader network of support. The Atlas Air Worldwide Group, comprised of Atlas Air, Polar Air Cargo and Southern Air, rep-

resents the second largest air cargo operating platform globally, as measured by freight tonne kilometers (FTK).

**Focus: What aspects of DHL have you incorporated into Polar Air Cargo?**

**Winkelbauer:** I was at Polar for more than 10 years before joining DHL, and now I am back at Polar. I think I have helped bring a little Polar to DHL and vice-versa. DHL is consistently rewarded as a best place to work, and I've been inspired by their employee engagement activities – we have rolled out similar programs here at Polar, but with our own unique spin. At Polar, we are all about making connections and we can't do that without our people. My team will tell you, I always say "never forget the people" and that is inspired by my time at DHL where there is a real commitment to employee recognition and support. Our focus with employees at Polar is to seek everyone's ideas and input – and we have rolled out many platforms for efficient sharing of ideas that our employees have embraced.

**Focus: Do you see a return of pre-2020 seasonal patterns?**

**Winkelbauer:** The volume is different this year, but the seasonality is still here. For example, this is typically the low season, and it is lower than the peak we are coming off of. Yes, the volume year-over-year is up, but we are still in a low season, which is on track with the seasonality we have come to know in the industry. Obviously, none of us has a crystal ball to predict when the virus will be contained, but even when it is, I'm not sure levels will return immediately to pre-COVID numbers. PAX travel will be a factor, and according to IATA that's not expected to return to pre-COVID levels until 2023 at the earliest.

**Focus: What product loads will dominate cargo freighter carriers?**

**Winkelbauer:** I do not have an indication that product loads are changing. Produce, medication, and IT components are all going to continue to be moved around the world. Naturally eCommerce is growing, and what people are ordering online ranges from clothing to food to technology. Polar is in the process of IATA CEIV certification, which I think is important as we are likely to see Pharma grow, especially in the immediate future.

**Focus: Have post-pandemic strategies plans been implemented?**

**Winkelbauer:** The new procedures that were rolled out will remain in place– these include deeper cleaning, use of PPE, encouraging and making it easier for employees to remain at home if they are not feeling well. It's smart to maintain highest levels of protocol.

**Focus: What regulation impedes global trade?**

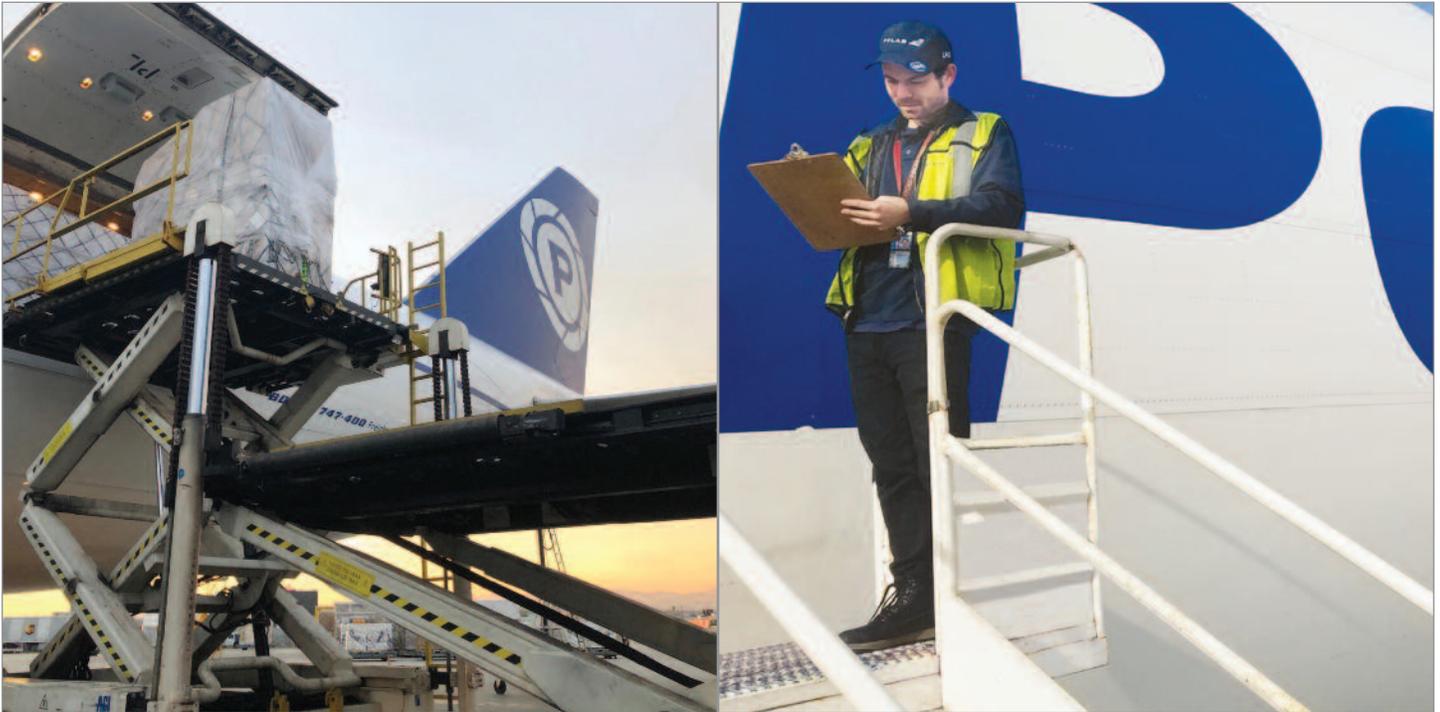
**Winkelbauer:** Open borders and free trade are good for business and supporting free flow of goods across the world is good for the air freight industry. There is quite a lot of regulation which makes the business environment less efficient and more difficult for airlines; for examples countries that are not "open skies" create accessibility issues like inability to secure slots, frequencies, etc.

**Focus: Will Polar Air Cargo maintain and capture more of the perishables market?**

**Winkelbauer:** At Polar Air Cargo, we have been shipping perish-



Members of Polar's Ground Ops Team in Hong Kong. Photo courtesy Polar Air Cargo Worldwide



On the ground at LAX. Photos courtesy Polar Air Cargo Worldwide.

ables since we were founded 25 years ago. We have existing long-term relationships with perishables customers, and we continue to invest in infrastructure to move perishables as efficiently as possible, including refrigerated warehouses and trucks that maintain temperature control. As a time-definite express carrier, delivering on-time is in our DNA and our customers know they can count on us to keep their perishables moving without delay.

**Focus: What challenges do oversized freight present?**

**Winkelbauer:** The challenge with oversized freight is what we don't know, for example until we receive the cargo it's difficult to understand exactly how much space will be required, what extra shoring will be needed, and how much time will be spent preparing the cargo for departure. Nonstandard cargo can impede operations and as a time-definite carrier with a very tight schedule for our express network, we are very prescriptive in when and how we can accept oversized freight. There are tools designed to help pre-plan for nonstandard freight, but there are still many variables that are difficult to accurately capture until the freight is actually onsite ready to be loaded.

**Focus: How is eCommerce influencing the air cargo sector?**

**Winkelbauer:** eCommerce has expanded and drives growth in the air cargo industry. It occupies more space in general for shippers and I don't think that will change. People will continue to shop online. The global eCommerce numbers are forecast to reach more than \$6 trillion by 2023, predominately powered by shoppers living outside of

the US as they are joining the middle-income class – particularly in the Asia Pacific region. I think eCommerce is and will remain King; even in a cooling economy.

**Focus: What IT advancements can customers expect from Polar Air Cargo?**

**Winkelbauer:** Digitization is key for customers and for the evolving industry. At Polar, we are driving toward digitization as part of our long-term strategy to improve processes, simplify procedures and give our employees the tools and training to be more efficient. Digitization will help drive sustainability by helping us eliminate unnecessary steps and ultimately decrease time, effort and materials used. We recently rolled out a new optimization tool that allows our ground handling teams to more efficiently shape and build cargo on pallets – this gives us greater accuracy when quoting customers on how many pallets will be needed to transport their cargo. The implementation of digital tools from the e-AWB that reduce paper, to AI deployment that leads to more efficient planning that can reduce fuel consumption, are just some of the advancements customers can expect from carriers. The possibilities are limitless.

**Focus: Describe Polar Air's "fast tracking and tracing" capabilities.**

**Winkelbauer:** Customers track and trace shipments in real-time on our website. We are developing a host-to-host solution that will directly link to some of our key customers right into our booking system.

**Focus: Does the B747F type offer more than other freighters?**

**Winkelbauer:** Certainly, the B747F provides the biggest payload with the largest amount of main deck space available, which allows us to carry a larger variety of cargo.

**Focus: Are forwarders and 3PLs increasing their IT investments?**

**Winkelbauer:** The forward-thinking freight forwarders are increasing their focus on technology. Technology is what keeps us all moving, and those providers that don't embrace it are going to fall behind. Technological advancement is not a "nice to have" – it is a requirement of our customers.

**Focus: What would a fully integrated supply chain look like?**

**Winkelbauer:** It starts from the time the order is placed, typically with a manufacturer outside the US. The cargo and logistics provider handles trucking the cargo into the airport, loading and securing the cargo, facilitates export customs, manages the manifest, transfers by air, facilitates import customs and warehouse storage, in appropriate temperature-controlled facilities. But it doesn't end there, it drills down to local trucking for last mile delivery. Everything is tracked end-to-end without the chain of custody ever being broken. Obviously, it varies from commodity to commodity, but this is the basic model.

**Focus: Has transit time become a central customer theme?**

**Winkelbauer:** Customers place more value on transit time more than aircrafts or routes. As you know, Polar offers time-definite scheduled service, and that's what our customers seek. There could be some instances where there are specific requirements due to the nature of the cargo, like a perishable, but overall the customer wants Polar's expertise and reputation for on-time delivery, not a specific airplane.

**Focus: Which industry segment generates the most new business?**

**Winkelbauer:** Polar enjoys healthy relationships with freight forwarders, who continually bring us new business and new commodities. They know they can rely on Polar's exceptional reputation and on-time service. We are known for making connections in the industry, and our connections run deep with freight forwarders.

**Focus: Describe Polar's work with Airlink and other humanitarian organizations.**

**Winkelbauer:** Polar Air is a corporate supporter of Airlink and I serve as an Airlink Ambassador. We are passionate about helping the communities in which we operate, and when the pandemic first unfolded we worked with Airlink to move humanitarian relief—respirator

masks, surgical masks, isolation gowns and more—from LA to Shanghai. We were proud to do our part and donate the transport in partnership with Vizion Logistics, who provided agent services to process the shipment. As COVID spread, our aid shifted to moving supplies including critical PPE from Asia to the US. In addition to our work with Airlink, Polar partnered with an organization called Guardians of the Angeles to provide transport of many shipments of the PPE they secured and donated to frontline workers in cities across the US.

**Focus: Please discuss digitally updated warehouses, docks and trucking as a compliment to Polar Air's platform?**

**Winkelbauer:** We run our own warehouses in Cincinnati and Los Angeles, and have invested in digital infrastructure to streamline processes, drive real-time information sharing and generate efficiencies. That extends also to our trucking partners, where we have evolved our technology, for example adding dock management to schedule appointments for loading and unloading cargo from trucks. This allows us to manage the warehouse and yard more efficiently, as well as providing better customer service for the truck driver who can plan accordingly and avoid delays. Additionally, we deployed MacroPoint, which drives supply chain visibility throughout our entire trucking network. This new technology has been onboarded by all of our trucking partners.

**Focus: How will cargo freighters adjust as supply chains becomes more sophisticated?**

**Winkelbauer:** It's difficult to predict especially in this environment. What I can say is that as supply chains become more sophisticated, there might be more point-to-point flying of freighters because demand may be more accurately forecasted by various suppliers.

**Focus: What qualities exemplify a Polar Air Cargo team member?**

**Winkelbauer:** I think collaboration is the #1 quality of all Polar Air Cargo employees. We seek people who are smart, flexible and contributors. We have to problem solve, trouble shoot and deliver on time, every time. We look for people eager to learn with an open mind, and who are team players. We look for people who will speak up, and who will jump in to help. At Polar, everything we do is about making connections, that means connecting cargo with its destination, sure, but it also means connecting with our customers and with each other and working together to grow. We look for people who want to be part of that, and want to grow with us.

**Focus: You earned bachelor and master degrees. What additional curriculum would you include to better prepare students for real-world situations?**



Polar Air Cargo Senior Management Team: (L-R) Sylvie Blondeel, VP and CFO; Carlton Llewellyn, VP, Operations; Lars Winkelbauer, EVP & COO; Tom Bettenia, VP Sales, Americas; Abilash Kurien, VP Network Planning, Revenue Management & Marketing; Kersti Krepp, VP Sales, Asia Pacific. Photo courtesy Polar Air Cargo Worldwide.

**Winkelbauer:** The field of logistics is not simply moving cargo from point A to point B. A successful career in logistics may start in a ground handling role, where you can work your way up through a logistics management path. I also see huge opportunity to bring in very different backgrounds and expertise into air cargo – for example, data scientists, engineers, technology experts, coders who can drive big data projects to meet customers' modern-day needs. We need to consider the impacts of AI, IT, BlockChain on roles that are emerging within our industry. We introduced Polarfied training this year to make sure everyone in every role – literally every role – has the same understanding of cargo, logistics, key practices and procedures, etc. There are so many paths to a career in our industry, and so many different real-world experiences that our employees bring to the table – while at the same time being fully aligned around the mission and company values.

**Focus: What advice would you give Polar Air Cargo applicants?**

**Winkelbauer:** Apply, now! We always want to meet new people, and if we don't have the perfect opening for you at this moment, we could in the future. We would love to hear from you.

**About Polar Air Cargo**

Polar Air Cargo Worldwide enables freight forwarders to connect to major markets quickly and dependably by offering the largest fleet of Boeing freighters among US scheduled all-cargo carriers. Polar's all-Boeing cargo fleet are ideal for long-haul payloads; 747-400F, 747-8F,

and 767-300F. Polar delivers high level quality, reliable, time-definite scheduled air cargo service. Polar's strength is connecting cargo with its destination and customers. Polar provides logistics solutions, connecting employees to grow and succeed globally. Polar is the trusted air cargo choice for on-time airport-to-airport scheduled performance and unparalleled ability for unique specialized transport.

For over 25 years, Polar pioneered growth through strategic partnerships and investments. Polar helped customers grow by opening new markets for their goods. We are committed to understanding customers' needs and challenges in order to partner on solutions .

Polar is dedicated to maintaining the highest level of safety. The company's fleet is fully certified to operate under very restricted visibility conditions and is 100% Stage III/Chapter III compliant. Polar has completed the IATA's Operational Safety Audit, a globally recognized audit of its operational standards and procedures.

The Polar team is second to none; globally Polar employees give their all every day to deliver on the Polar promise to customers.

The Polar team never forgets its impact on the world around us. Sustainability is at Polar's core; it is a building block upon which the business has been based since the earliest days. From an internal commitment to less waste for a better future to joint efforts with the industry to reduce the carbon footprint of air freight, conservation and caring for the environment is a focus for everyone at Polar.



**NOTE:** For additional information, please visit: <https://www.polaraircargo.com>

# Women in Aviation

## Senior Executive Panel Discussion

Aviv Tzur, President, Greater Miami Aviation Association



Lee Kapel



Vena Symonette-Johnson



Jeanette Eaton.



Caroline M. Vandedrinck



Donna Hrinak



Ana Maria Robbin



Moderator Aviv Tzur

The Greater Miami Aviation Association 2020 Webinar Panel, “Women in Aviation” consisted of leading women in the Florida aviation industry. This incredible group represents the many aspects of our industry.

The panel’s moderator Aviv Tzur is President of the Greater Miami Aviation Association. The panelists include: Donna Hrinak, former Vice President, Boeing International, President, Boeing Latin America; Lee Kapel, President and CEO, TSI Aviation; Jeanette L. Eaton, Vice President, Worldwide Strategy & Business Development, Commercial Systems & Services Sikorsky, a Lockheed Martin Company; Vena Symonette-Johnson, Assistant Professor of Aviation & Safety; Florida Memorial University; Fana Maria Robbin, Vice President, SkyMart; Caroline M. Vandedrinck, Vice President, Americas, SR Technics America.

### Personal Backgrounds and Company Profiles

#### Aviv Tzur

Aviv Tzur is president & CEO of AvBiz Aerospace Ventures. Avbiz provides mergers and acquisition advisory services, SWOT analysis, creative financing, management guidance, as well as representing global companies in the State of Florida. Mr. Tzur served as CFO of PMS and CEO of Avborne Heavy Maintenance (AAR Miami). He was a partner at Avborne Accessories and Executive Chairman of Ultimate Composites. He is a graduate of Hunter College of the University of NY.

Aviv Tzur is the founding Chairman of Miami-Dade’s Beacon Council Aviation Committee. He serves as a board member of the GMAA, and as a member of Miami-Dade College advisory board. Other engagements include One Community One Goal and Leadership Miami.

### **Lee Kapel**

Lee Kapel is the Owner and President of TSI Aviation. TSI is a Women Owned Small Business serving both Military and Commercial Airlines worldwide. The company specializes in asset and repair management, OEM distribution, consignment sales and parts supply. TSI has been an integrator for over 40 years. TSI maintains partnerships with large OEMs, as well as MRO's and Distributors in order to provide service to the US Government, Foreign Military organizations, and Commercial Airlines.

Lee Kapel has served on the Board of Directors for the Aviation Suppliers Association (ASA) for 7 years. Ms. Kapel is on the Board of Directors for the Greater Miami Aviation Association, as well as founder and promoter for Women in Aviation Maintenance International. She will also serve as the upcoming President for the CCMA Suppliers Committee.

### **Jeanette L. Eaton**

Jeanette Eaton is Vice President, Worldwide Strategy & Business Development with Sikorsky Aircraft. She is an accomplished helicopter pilot, and holds a commercial rotorwing certificate as well as a fixed wing instrument rating. Ms. Eaton has over 31 years in rotorwing aviation. She began in the industry as an electrical engineer advancing throughout Sikorsky Aircraft into program management, operations, government marketing and sales. Ms. Eaton received a number of industry awards in engineering and sales and returned to Sikorsky's marketing and sales division, managing and leading an aftermarket and sales team in commercial business around the globe. Sikorsky Aircraft is a Lockheed Martin Company named after Igor Sikorsky, an aircraft design pioneer best known for helicopter development.

### **Vena Symonette-Johnson**

Vena Symonette-Johnson is Interim Chair at the Department of Aviation and Safety. She is also an Assistant Professor of Aeronautical Science at Florida Memorial University Aviation and Safety Program. Ms. Symonette-Johnson is a flight instructor and serves on the GMAA board. Ms. Symonette-Johnson is pursuing a Doctorate in International Business. She is a certified flight instructor dedicated to broadening the pool of licensed pilots. She holds seven FAA certificates with more than 17 years' flight experience as a pilot and instructor with commercial instrument and multi-engine ratings.

As a professor of Aeronautical Science, she seeks opportunities to leverage aviation skills and solid business experience. She helped develop a wide range of aviation courses for undergraduates. Ms. Symonette-Johnson built two successful businesses from the ground-up.

### **Donna Hrinak**

In September 2020, Donna Hrinak joined Royal Caribbean Group as Senior Vice President of Corporate Affairs. Ms. Hrinak will lead the Group's government relations, communications and PR functions. She has a stellar curriculum vitae in global regulatory policy, multicultural negotiations, coalition leadership and international business transformation to augment the Group's government affairs team. Prior to joining Royal Caribbean Hrinak worked for Boeing as Vice President, Boeing International and President, Boeing Canada with responsibilities for developing Boeing's strategy in Latin America, Caribbean and Canada. Hrinak joined Boeing in October 2011, as president of Boeing Brazil. Prior to Boeing, Hrinak was Vice President of Global Public Policy and Government Affairs for PepsiCo.

Hrinak was a US Foreign Service officer and served as US ambassador to Brazil, Venezuela, Bolivia and the Dominican Republic and as deputy assistant secretary of State for Mexico and the Caribbean. Hrinak serves on the boards of Inter-American Dialogue and Adtalem Global Education. She is a member of the International Women's Forum and the Organization of Women in International Trade.

### **Ana Maria Robbin**

Ana Maria Robbin is co-owner and Vice President of Sky Mart, a family business founded in 1985. Ms. Robbin is a University of Miami graduate with a degree in International Business Management. Ms. Robbin brings previous experience as Chief Operating Officer at Diplomatic Resolutions in Washington D.C. and Business Development Manager for Microsoft Latin America.

Sky Mart is a leading OEM aerospace fluids and parts distribution company. Sky Mart is a master distributor for ExxonMobil, Shell (Aeroshell), Air BP, Solutia (Skydrol), Royal Lubricants (Anderol/Royco), LPS Labs, Alglas UK, 3M Export, and others. Sky Mart is FAA AC0056 compliant and an associate member of the International Airlines Technical Pool (IATP). Sky Mart is a woman-owned minority business, and ASA100 accredited dedicated to ensure customer satisfaction.

### **Caroline Vandedrinck**

Caroline Vandedrinck, is Vice President, Americas, SR Technics Group. She is an executive at a company focused on providing Engine MRO solutions, with global sales and marketing experience. SR Technics' restructuring as a result of the Covid-19 pandemic brings a focus on engine maintenance while ramping down the component. SR Technics' senior management determined that safety and quality excellence are the key mission factors. Ms. Vandedrinck is recognized as a result-driven implementer and designer of improved processes and metrics with more than 20 years of relevant experience in the technical aerospace industry (OEM and MRO) and holds a pilot's license.

## The Discussion

**Aviv Tzur:** We have assembled a diverse group of leaders, who will be asked about career paths and the industry. We begin with Donna Hrinak. How did you start your career in aviation and how did your role evolve over the years?

**Donna Hrinak:** It is a pleasure and an honor to be joined by so many distinguished and accomplished colleagues. I have a one-word answer to the question; “How did you start your career in aviation?” The word is “accidentally.” I have worked with Boeing for nine years, but, when I joined the company, I was not an engineer, nor did I have an aerospace background. I was not a pilot, maybe my only credential for aerospace was knowing every “Star Trek” episode by heart, including much of the dialogue. I read Robert Heinlein science fiction books when I was younger. I was asked to join Boeing because of my regional expertise, specifically in Brazil where Boeing was interested in opening an office. While being recruited my boss said, “We can teach you Boeing, but we can’t teach you 30 years of experience in Latin America.”

I joined Boeing to open an office in Brazil. As my career evolved, I learned more about the aerospace industry and moved from Boeing’s President of Brazil to President of Latin America and the Caribbean. That meant needing to learn about supply chains. At the time, Boeing’s supply base was in Mexico. I must say, I find supply chains one of the most fascinating aspects of our industry. It is how Boeing makes millions of parts come together. I took responsibility for Canada when Boeing had 1,600 Canadians working at its Winnipeg plant making parts for each of our commercial aircraft. I also learned about fabrication.

I believe the lesson from my unusual entry into this industry is that aerospace evolution encompasses many things. I had a fascination for the career, but I was not an engineer. If you love flying, you may not see a path to obtain your pilot’s license but there are other options available. The aerospace business involves important financial and communications interests.

How do we tell the industry’s story? In my case, it was an interest in geopolitics. Boeing is a global business and most aerospace companies are increasingly global. There are always skills and experiences you can bring to this industry.

**Aviv Tzur:** I met Donna Hrinake 15 years ago when she was the ambassador and I was visiting Brazil with a delegation led by Governor Jeb Bush. Lee Kapel, what were your experiences?

**Lee Kapel:** My story is a little unique. I started in Aviation by accident on the private side of the industry. I was fresh out of high school and was starting college without the ability to pay for it. I had to get a job and answered an ad that read, “Computer entry... will train.”

It happened to be for the company that I now own. When I started

in aviation I fell totally in love with it. By the time I was 18 years old, I was traveling throughout Latin America selling spare parts and repair services for commercial aviation and military operators. I studied computer science and accounting and began working with McDonnell Douglas software developers on the Microdata software platform. After understanding the workings of our company and how it operated, I applied that knowledge to my sales techniques to better sell our services. It has helped me to evolve in many different ways. It has provided me an incredible journey, great relationships and very positive experiences for most of my professional life. I have been helping to develop programs for Women in Aviation, teaching young ladies the many opportunities that aviation has to offer. As I say, “If you start in aviation, you will never leave; it gets into your blood.”

My long career has been an incredible ride.

**Aviv Tzur:** Thank you Lee. I would like to prevail upon Jeanette Eaton to describe her career path.

**Jeanette Eaton:** My career started as an electrical engineer, I was working at Sikorsky Aircraft. Anytime there was an opportunity, whether it was to further my education earning a master’s degree, or a different position, I said yes and went for it. I think one important idea is learning to open yourself up to opportunities and never say no. This approach led me into program management of our International Blackhawks.

When I was in sales I had a mentor who said, “Well, you’ve got the technical background, but you need to walk the walk as well as talk the talk, or these men are gonna chew you up and spit you out.” At that point, I realized, “Okay, I can’t afford to be a helicopter pilot right now, so let me get a fixed-wing rating,” and I did. After obtaining my commercial instrument rating, I had an opportunity to transition to Bell Helicopter and obtain my helicopter ratings. I jumped at it. After many years, Sikorsky recruited me back as Director of Marketing and eventually back into sales.

Now, I am responsible for all market segments. My passion is for the Firehawk helicopter, which is a favorite among the brotherhood of firefighters. Our product saves lives. I am humbled as a pilot when I see what our customers can do with that helicopter. Again, I never realized that I would have a passion for flying, another lesson I learned when I opened myself up. That may be the essential key to my success. Find your passion and be authentic to that goal. When you’re authentic, you will shine and outperform. Your authenticity is the heart of your power, it will help make you be successful and people will trust you. This has led to leadership in my career. In a nutshell, as Donna said, “You never know where it’s going to lead you.” Aviation is just an amazing opportunity that we all want to be part of. I think I will never leave this industry; it became my passion.

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**Aviv Tzur:** Thank you Jeanette, that was a terrific synopsis. Ana Maria, please tell us about your experiences.

**Ana Maria Robbin:** Thank you GMAA for allowing me to be on this distinguished panel. It's funny, Lee Kapel mentioned having aviation in the blood. In my case, both of my grandfathers flew, my dad and my uncle flew, my brother still flies regularly. Once aviation is in your blood, you are hooked. I have been lucky enough to graduate from the University of Miami with a degree in International Business Management, which I used in my first job in Washington D.C. before moving on to Microsoft. In 2000, I became a part of the Sky Mart team, a leading OEM aerospace fluids and parts distribution company. What is exciting about this occupation, is you never have the same day twice. You are always learning. For me, it was destiny.

**Aviv Tzur:** Whether destiny or happenstance, aviation is in everyone's blood. Vena what are your thoughts on this subject?

**Vena Symonette-Johnson:** Yes, aviation is exciting. There's nothing in the world like it. I often say outside of God and family, aviation is my next love. I'm the 14th child of 14 children. So, I have always had to make myself known, so to speak. And as a result, I always pushed to better myself. Wanting more, propelled me into management. Once in management I still wanted more. I always loved the idea of flight.

As a child, my mother traveled a lot and she would take me with her; that is when my fascination with aviation and airplanes began.

My career started in 1989, when I became a customer service representative at Miami International Airport. That propelled me to get my commercial, multi-instrument, and flight instructor licenses. At Florida Memorial University I worked and obtained a bachelors degree and went on to earn a double masters from Embry-Riddle. I am still pushing myself by working on a doctorate degree in international business. In terms of aviation, my educational efforts allowed me to do many things. I had the opportunity to work for Lockheed Martin, which has been a wonderful blessing. In 2008, Captain Arnold J. Tolbert, my mentor took an early retirement from American Airlines to teach at Florida Memorial University. Captain Tolbert asked me to join him at FMU. When Captain Tolbert passed away, I became the interim chair for the department of aviation and safety at FMU.

I try to help young people, particularly young women, to pursue aviation careers. I am in a place to make a goal become a reality. I spent 31 awesome years in this industry and look forward to helping others realize their dreams as well.

**Aviv Tzur:** Vena, thank you for sharing your experiences. Let us turn our attention to the MRO industry and Caroline's career story.

**Caroline Vandedrink:** I started my aviation career in Belgium when I

was 14 years old, helping my mom refuel aircraft. One weekend she had 100 aircraft to refuel and said, "You have to come and help me refuel these aircraft." I responded in earnest, "I hate airplanes, please don't make me do this." OK she said, "Then you will just write invoices." My mom knew me well. So, from that day on, every weekend, every vacation, I hung out at the airport and put fuel into Cessnas, Pipers, DC8s, and 707s.

These amazing airplanes were mostly cargo or light sport aircraft. From that point on, whenever I had to decide what to do after high school, it was easy; I would do something aviation-related. My parents gave me the opportunity to go to America and attend Embry-Riddle, to study aerospace engineering, and as a hobby, pursue my private pilot license.

When I graduated in 1991, the US was trying to recover from years of economic limits of a slumping economy. The aviation industry was hit hard. It was then I typed and mailed 512 letters seeking an entry-level job (word processors and email was not yet available.) After all that effort, I received one in-person interview and two telephone interviews. I started at a small company in Monte-Carlo, Monaco representing Fairchild Aircraft, a regional turboprop OEM based in San Antonio, Texas. Initially, I worked as a performance engineer. My boss was terrific and gave me the opportunity to go into sales and marketing. I stayed in sales and worked at Pratt & Whitney, Alcoa, Barnes Aerospace before I ended up at Sikorsky where I worked with Jeanette Eaton.. What made my jobs wonderful was the ability to take the technical skills I learned at Embry-Riddle and use them to sell engines, aircraft, raw material and MRO. This evolved into MRO opportunities, which is where I focus my efforts now for SR Technics.

**Aviv Tzur:** Thank you Caroline, you had a fantastic path. Each of you ladies built tremendous careers. Although you worked in different aspects of aviation, there is a string of commonality in each person's path. At one point, someone inspired, pushed, or helped you get to the next step. Lee, please describe the time when someone made a difference in your life.

**Lee Kapel:** Throughout my career, I have been inspired by a multitude of people. I met the first person while working at TSI. He was the company's President and because I spoke Spanish, he gave me my first opportunity to work with new customers that did not speak English. "Can you help us out?" he asked. I have always had a passion for selling, even as a young girl, I would sell Avon products in my neighborhood. So, when the then President of TSI called me into the conference room with a new customer, I automatically started selling our company. From my system programming days, I understood the inner workings of the company and its product lines. From that moment on, when these customers called, they asked for me. It just came naturally to me. My company's President afforded me this opportunity

I remember our conversation the first time I approached him about a having sales position. First, I asked him what it took to be a salesperson at TSI. He looked at me and calmly said, "Well, you're a woman." I answered with an affirmative question, "Yes?" He continued, "I do not think women, you know, work in this industry." I persisted, "Why not?" (At this time, 90% of our business was Latin America.) He went on to explain, "This is a very macho type of industry, and so on, and so on." I responded, "I respect myself and I expect respect from everyone I deal with." He studied me for some time then declared, "Come on, I'm gonna to take you on your first business trip." From that moment on, I travelled frequently and at 19 years old, I was selling TSI throughout Latin America.

Many people recognized the effort I put into my work, the way I respected myself and respected me for it. I will always remember an Admiral from the Mexican Presidential Team, he had gunshot wound in the middle of his forehead. He was so proud of me! During one of our meetings at the Presidential hangar, he took off his flight jacket and gifted it to me. To this day, I have that jacket hanging in my closet. This was some 30 years ago.

Memories are made from all those little things you gather from people in the industry. I would say to anybody, especially a young woman aspiring to be in aviation, the first rule is to respect yourself. Strive to always do your best and always the right thing. Don't vary from that, keep on track and the opportunities will be endless.

**Aviv Tzur:** Wonderful story. Jeanette who influenced your career?

**Jeanette Eaton:** Over 20 years ago, there were few women in aviation sales. I had a passion for aviation and credit the one person for advising me to obtain my pilot's license first. The pilot's license helped me to excel personally and professionally with customers. For example, at a NYPD demonstration I climbed out of a the cockpit, and heard, "She must know what she's talking about." You cannot imagine how my credibility jumped after obtaining my license. You might say, it was the turning point of my career. After I started flying, I became even more inspired by my LA County firefighter customers. To this day, when I hear see their stories on television and how they combat those devastating fires, it's inspirational to me. The advice to obtain my pilot's license was a definite turning point in my career path.

A number of people talk about mentorship. I too feel strongly about this, because somebody gave me a chance. Please give back to the community or be an aviation ambassador for all these kids coming up. On weekends I try to take someone flying to expose them to aviation. Some of the people I took for their first rides, are now captains flying for Delta Air Lines. Give someone that amazing exposure whenever you can. I believe what we do makes a difference.

**Aviv Tzur:** Thank you Jeanette. Ana Maria, please tell us about the people who influenced your life.

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**Ana Maria Robbin:** For me, everything happened at home. My dad and my brothers started Sky Mart 35 years ago. My dad was the consummate salesman and an eternal optimist. He always said yes, then figured out how to actually accomplish the job. When he said yes, there were times he wasn't quite sure how the job might get done, but he always figured out a way. From the very beginning, my mom was the company's CFO. She persistently questioned, "Why?" Although we had the same last names, when mom asked you a question, even if you are her daughter, you better be prepared. She was always pushing us to be better. I was lucky that my brother knew absolutely everything there is to know about aviation. He eats, breathes and sleeps aviation to the point where it's sometimes like, okay, turn it off. His passion inspired me and spread throughout our company. My best influences definitely came from my family.

**Aviv Tzur:** Family is always a good place to build a foundation. Vena your career involves mentors and educational paths.

**Vena Symonette-Johnson:** My story began with Bessie Coleman. Like me, Bessie had many siblings and wasn't sure how her career would evolve. Bessie had concerns with Jim Crow laws that enforced racial segregation in the Southern US. To learn how to fly, she hitched a ride on a Red Cross plane to France. I remind myself, that I don't have that problem, because I live in a time when everyone can learn to fly.

I also have other mentors that are dear to me, including the Tuskegee Airmen. I was recruited by Leo Gray, one of the original members of the Tuskegee Airmen Miami chapter, and hung out quite a bit with Leo Gray and Eldridge Williams. We went to Miami-Dade and Broward schools together and they would tell their stories to different classes. Each story they told was unique and fascinating. I should have recorded their stories, because now we have lost both men. I am thankful that many of their stories are etched in my mind. They introduced me to the students by saying, "Meet Vena, she's a pilot." Many students and even some instructors had never met a black female pilot before.

In Miami, I was introduced to a school principal Sharon Lewis who turned out to be my cousin. She was always in a hurry, rushing off to do something. Suddenly she stopped, turned around and asked my name. After I answered, she responded, "Mm-hmm, who's your daddy?" I thought, "I know this woman didn't just ask me about my daddy!" Then she mentioned my grandparent's name. I said, "Wait a minute. That is my grandma and grandpa's name." "I'm your cousin," she declared, "your aunt Geneva's daughter." I thought, what a blessing to have such wonderful mentors helping me. My cousin asked, "Could you speak twice a year at my school and other schools as well?" I didn't have a choice, I was inspired and have been going into schools to talk and encourage students. It has been an amazing journey.

Another person that inspired me was FMU professor Captain AJ Tolman. Captain Tolbert was the former Chair for the Department of Aviation and Safety at FMU. I introduced him to Captain Barrington Irving, who is listed in the Guinness Book of Records. Captain Irving came to Florida Memorial University after I invited him to be part of an OBAP event. He didn't have the money to come, so I offered him a job working at the front desk. He said, "My friend needs to come too." I replied, "If both of you work the front desk, you will both get in free." Captain Barrington has since become an inspiration to many.

**Aviv Tzur:** Vena you have a remarkable story. I have a question for Caroline and Donna since both of you have been in aviation for some time. Although there have been concerted efforts by many to diversify, the questions remain, "Is aviation still a 'good ole boys' network? Are more opportunities available for women to obtain senior positions today?" I will start with ask Caroline then Donna.

**Caroline Vandedrinck:** My parents were my inspiration. My dad had a full-time job working as project manager. Nevertheless, he wanted to fly, but didn't have the money to learn. For that reason, he started a flight school so he could buy aircraft, fly for free, and raised money from the students that used his planes.

He put my aunt in charge, even though she knew nothing about airplanes. When he couldn't get aircraft fuel, he started a refueling company. This time, my dad put my mother (a kindergarten teacher) in charge, who knew nothing about refueling. This was almost 40 years ago. In our family, we never saw glass ceilings because a woman had no managerial or aviation experience.

From my family experiences, I learned that challenges and problems do not have to be obstacles. Focus on the alternatives, try the proverbial "think outside the box," and go where you want to go. Success is about working hard and knowing that aviation is not a 9 to 5 job. The work does not stop because the clock says five.

I believe more opportunities exist today. Personally, I never missed an opportunity because I was a woman, this would not be acceptable. Today, companies offer diversity goals and programs. Join these programs and become part of the solution. If you are in a company that offers no advancements, then fight for them. Do not let obstacles get the best of you.

**Donna Hrinak:** I agree with Caroline. Today, there are certainly more opportunities for women in aerospace and aviation. My first example is Leanne Caret, the CEO of Boeing Defense, Space & Security. She is the first woman to head one of Boeing's three major business units. I am sure this would not have happened a decade ago.

Progress has been made, but when I am on my soapbox I espouse that true aerospace progress is a combination of public policies and

company practices. If this is something not being practiced, you could fight for changes through legislation or within the company. Personal responsibility must remain a priority. These thoughts extend to many society sectors of public policies.

It is important for people, young women in particular, to realize that life is a series of choices and every choice has a consequence. You must understand what those consequences are. If you want a career in any sector of aviation, there will be some battles to fight. The question remains, "Are you willing to fight?" How will that affect other aspects of your life? Life is a pie that work fits into. Will you cut out a piece of that pie for work? It is not a work-life balance. We still have a long way to go. We should keep fighting to be properly represented in aerospace.

We must work on larger public policies to make it easier for women to have careers in every sector. For example, we address childcare policies. One thing the COVID19 crisis has done is to make people aware of the work women do, while maintaining a second and third career at home. During the pandemic many of us faced homeschooling our children for the first time. Are there opportunities? Sure. But, in order to succeed, we need to create even more.

**Aviv Tzur:** Jeanette, you have worked with major companies throughout your career. Please give us your perspective on what more can be accomplished?

**Jeanette Eaton:** In the late '80s, I started at Sikorsky, the only female in the room. About a month ago, I joined a leadership positions meeting attended by women only, (at Sikorsky!) That really surprised me. This big change occurred after we moved over to Lockheed Martin. The culture of Lockheed Martin focused on diversity and inclusion. The former CEO, Marilyn Hewson, believed in a top-down leadership style. This culture shift started at the top, where bad behavior including management was not tolerated.

I agree with Donna, that we accomplished many steps. Still, there is still work to do. More inclusion is needed so HR will be able to hire a more diverse group of people. As a leader, I must ensure that people are fairly treated and given opportunities. But Caroline is right... sometimes, you just cannot accept something being forced on you. You have to fight to be treated properly. Leadership is an honor, not a right. Make sure you earn respect before proceeding. Thirty years is not so long ago. I remember being the only female in a room and participating in all men meetings. Helicopter aviation had been male-dominated. It is a refreshing change to see more women advancing at Sikorsky.

**Aviv Tzur:** We are making progress. I received an invitation that had an 18 person panel and only one woman. Changes are needed. Ana Maria, "What guiding business principles do you believe in?"

**Ana Maria Robbin:** For me, it starts with accountability. Keep your word; do what you say you are going to do. Own your mistakes and learn from them. Transparency is a huge consideration for your team and with everyone else. Practice good communication and develop good listening skills. Teamwork is a goal, but accountability is a priority.

**Aviv Tzur:** Vena, may I direct this question for your consideration?

**Vena Symonette-Johnson:** I guide my life on three principles. God, family and career. God is orderly and allows one to do the right thing. All success comes from that point. Ana said, we need to be better listeners; people have real concerns. It is important to listen intently, with empathy, and then act accordingly. We are only as good as the people who surround us. Be aware of the people that work around and under our leadership. We need to encourage each person so they too will advance. Never keep people down; it is better to pull people up with you. Everybody can reach the top at one point or another, but without friends it is a lonely place. Treat people with kindness and a positive attitude.

**Aviv Tzur:** Caroline, the same question, please.

**Caroline Vandedrinck:** Everyone's assessment has been so thoughtful. Accountability with a focus on results. Don't forget, without the customer, none of us have any businesses. One thing I learned from almost 30 years of work is not to present problems, but to offer solutions and alternatives. Hard work will help you be perceived as a professional and a potential leader.

**Aviv Tzur:** That is a great point. As a boss, I look for these traits in my employees. If you hire smarter people than yourself, you will be stronger and more able to compete. Having "yes" women and men around leadership does not enhance a company. Donna, please give us your opinion on leadership.

**Donna Hrinak:** Leadership must take time to recognize company team achievements. Take care to ensure that everyone understands the accomplishments with respect to the organization's history. Show employees how the company values were advanced. Enjoy your moment of achievement, think about what was accomplished, then use this action as a foundation to do even more.

**Aviv Tzur:** Lee, what principles did we leave out of the conversation?

**Lee Kapel:** I believe passion leads to success. Every goal requires having passion to turn "work" into a different level of thinking and mindset. Share your experiences and accomplishments, especially if they led you to something worthy. Share the secrets of your success. In this industry, there is too much jealousy between peers. I was fortunate

to work in a smaller company, where battles were fought as a team. Sharing with coworkers creates a strong team, without it, you're left flying solo. As Vena said, it can be lonely at the top, learn from your experiences.

I have a Miami friend who is a worldwide artist. He explained to me, "Nothing is a failure. Everything is a lesson." This has always been his attitude, which led him to big success. Now, each time I feel down about a failure, I know it happened for a reason and I will be stronger because of lesson learned.

**Aviv Tzur:** If you have worked in aviation for 20 or 30 years, you realize this industry is cyclical. We used to speak about 7-year cycles, then, it stretched to 10-year cycles. At a certain point, we felt invincible because we had experienced many years of prosperity with the airlines. Maybe we let our guards down.

These pandemic times are unprecedented. Anyone who has been furloughed still needs to support their family. The virus does not discriminate between workers on the job or management who makes decisions of who goes and who stays. What are some of the challenges you experienced and your vision of the industry's future?

**Caroline Vandedrinck:** The MRO industry faces many challenges. Each challenge is an opportunity; they push people to find alternatives. For example, in SR Technics' engine shop, customers come in when an engine is disassembled, to look at the parts and make decisions about what to do with the parts. Since the borders are closed, our customers cannot come to Zurich. They cannot see their parts. So, we created an RTI, our remote tabletop inspection. By using new technology, we could make engine inductions possible again, albeit in smaller quantities than back in January of 2020, so we can still continue our business. Obviously, we don't have same business volumes as before so we face downsizing and possible restructuring. It is hard to predict long-term impacts on the MRO industry. This disease is still evolving and we are still seeing many closed borders. Our analysis shows that 2020 demand will not return for two to three years. Each of us must find reasonable solutions to help partners and customers overcome this crisis.

**Jeanette Eaton:** We are challenged with everyone working from home. The papers I read suggest ways to restart businesses. These plans will take time to develop and teams will become more distant. Smart communications will be as important as the team itself.

Passenger sales, working aircraft and flight scheduling are at all-time lows. In the corporate market, sales are returning because people do not want to fly commercially and can afford to fly privately. We must find ways to remain connected with our customers, especially in sales. We must put faces to names, in order to resume travel and re-

build network solutions. From the MRO side, we addressed working from home to keep our current customers. People buy from individuals they know and trust. Keeping that trust is absolutely critical. Hopefully we get back to work soon and this will not become the new normal. Let's keep our fingers crossed for a vaccine.

**Donna Hrinak:** The pandemic's impact on Boeing is well-publicized. In March of 2019, the 737MAX tragedies resulted in the aircraft being grounded. This has taken a toll on the company. It has involved much soul searching as to what the company will look like going forward, what will be needed to remain relevant to our customers and our company values. We changed our CEO and put forth new values that focus on practical steps to rebuild a confident situation for travelers. The company will ensure the customer feels that being our partner brings advantages over others they may choose.

That might sound contradictory for values, but in fact, our customers want predictability and stability. Boeing is stepping forward and focusing on the future of our industry.

When the pandemic began, I heard from industry veterans, "We came back after 9/11, after the 2008 crisis and after SARS, this will be just something else. After a few months, maybe a year, we'll be back." No one is talking like that anymore.

At Boeing we are looking at what it means to have diversity and inclusion programmed into our DNA after the George Floyd murder and the strengthening of the Black Lives Matter movement. What does it all mean? What impact will this have on a company of our size with such global responsibilities?

**Aviv Tzur:** I am a fan of all these companies. William Boeing started his company over 100 years ago. It is the best of our industry, and as Americans, we need to support Boeing. Yes, Boeing made mistakes, but we learn from our mistakes, we improve, and then move forward. I am encouraged by the fact that the FAA is ready to say positive things about the MAX flying again. So with G'd's speed it will come to pass. We would like everyone's input for students entering their scholastic years or recent graduates who are starting their aviation careers.

**Vena Symonette-Johnson:** Follow your dreams, keep the faith and never give up. Things get rough. In spite of that, there will be somebody to help you along the way, give you a push when you need it most and make you feel it has all been worthwhile. This industry is unique and will give you an exciting career if you persevere.

**Lee Kapel:** Find something that you really love and stick to it. Don't pursue something just because parents or others push you towards it;

find your own passion. When you love and have passion for something, there is no stopping you!

**Jeanette Eaton:** To be authentic you will have to fall into the passion camp. Figure out what makes you tick. I believe when you find and follow your passion, you will have a fulfilling life.

**Ana Maria Robbin:** It is about passion. Find something in aviation that you're curious about and learn as much as you can about it. Ask questions, be bold, let your personality shine through. Lastly, network, network, network. You never know when opportunity will come.

**Caroline Vandedrinck:** Well, there's a reason why these ladies are my friends. We each have the same thought when we get up every morning to go to work. Choose a vocation you are passionate about; you may work at this job for the next 20, 30 or 40 years.

**Aviv Tzur:** The perfect way to conclude the panel was with a passion. We are here because of our optimism about the future, even during these unprecedented times. It's been a pleasure to be with you. The GMAA supports aviation, so please support the GMAA, in any way you can. Thank you very much.

#### About the Greater Miami Aviation Association, GMAA

The Greater Miami Aviation Association is a nonprofit organization established in 1927 by industry giants, Glenn Curtiss, Juan Trippe, and Eddie Rickenbacker to promote the interest of the aviation industry in South Florida. Their first goal was to establish an international airport in Miami, which they achieved a year later when MIA was established.

Today, the GMAA is still a main advocacy group for its more than 300-member companies. We view our dedication to assist young aviators wishing to pursue careers in our industry as a mission and a duty. Over the past 15 years, we expanded our activities with student scholarships and grants totaling over \$750,000. If a student lacks the financial means to pursue a lifelong dream of becoming a pilot, technician, or flight controller we pledge to make that wish come true. We assist over 20 university and technical college students with scholarships annually.

The Greater Miami Aviation Association is eager to continue and promote this cause and are twice as proud to say that many of our scholarship recipients have been women.



**NOTE:** For additional information, please visit: <https://www.miamiaviation.org/>



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automates acceptance checks and validates compliance of all rules for every dangerous goods shipment

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- Manage and monitor your organization's acceptance checks

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- Reduce resource requirements
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DG AutoCheck optimizes key functions related to the acceptance of dangerous goods declarations and associated packages/overpacks to deliver faster and more reliable processing. It ensures the safe and compliant shipment of dangerous goods.

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# Airport Bipartite Agreement

Trudy Wassel, Deputy Director

Ted Stevens Anchorage International Airport

Bryan Dietz, Vice President of Air Service Development

Allegheny County Airport Authority

Pittsburgh International Airport

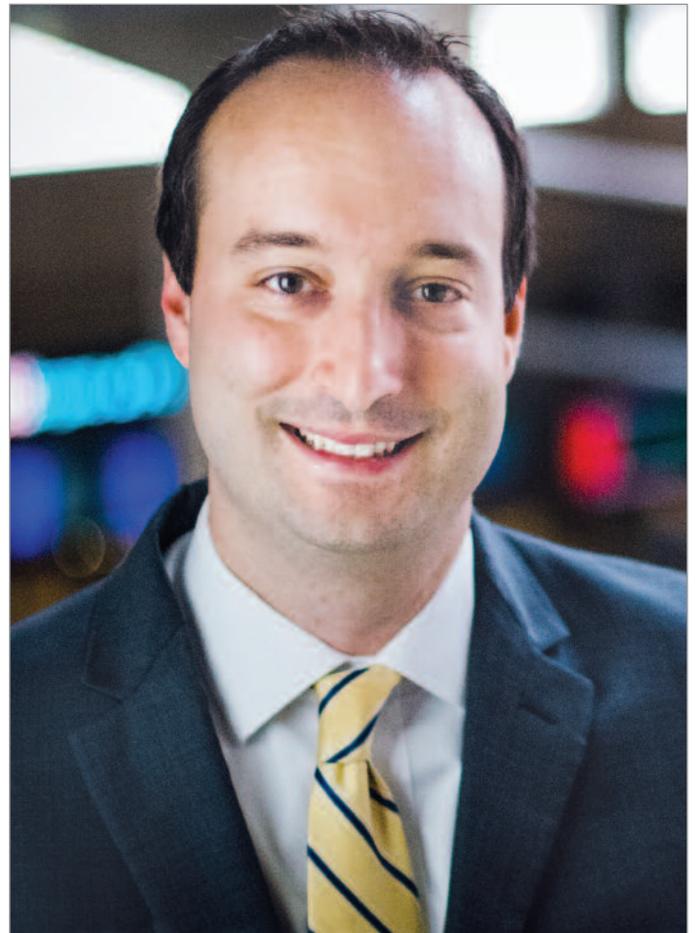
Robert Christensen and Kathy Belmont



Trudy Wassel

Trudy Wassel, Ted Stevens Anchorage International Airport and Bryan Dietz, Pittsburgh International Airport will represent their respective airports and the announcement of their joint partnership that brings new synergies and strengthens the existing air cargo supply chain between these two major cities for both existing and new customers.

While each airport shares many commonalities and strengths there are distinct differences between the airports. Each airport comprises an



Bryan Dietz

individual ecosystem and customer base. The details of the new agreement will be explored for the airports' existing cargo carriers and airline customers, as well as their facilities stakeholders through a series of mutual inclusive industry questions.

Focus magazine's Robert Christensen and Kathy Belmont created this dual interview for the airport representatives. Each airport faces some of the same challenges that face the global air cargo industry.



Antonov— largest aircraft in the world! We handle them all. Photo courtesy Rob Stapleton, Anchorage International Airport.



A National Airlines Boeing 747 lands in Pittsburgh from Seoul, South Korea after a stop in Anchorage. The plane was carrying medical supplies for FEMA. Photo courtesy Pittsburgh International Airport.

The interview highlights the many advantages of each airport. The new partnership has much to offer cargo carriers. ANC's Trudy Wassel and PIT's Bryan Dietz will provide the article's critical details.

#### About Trudy Wassel

Ms. Wassel is the Deputy Director of the Anchorage International Airport, overseeing the marketing, business development, public relations and administration for the Airport. In this capacity she is also responsible for an operating budget of over \$68M.

Trudy oversees air cargo business development at the world's 6th busiest air cargo airport. She is also responsible for working with the over 35 cargo airlines operating at ANC, securing and expanding operations to include new route development, cargo transfer opportunities between carriers, growing the overall cargo business at ANC.

Trudy has worked with ACI-NA's Air Cargo committee for more than 8 years and is active with TIACA. She recently assisted with the update to the ACI Air Cargo Guide. She serves on both organization boards and committees, as well as active board member for the Alaska Aviation Museum, in Anchorage.

Prior to this position Ms. Wassel was Finance Director for the airport

and early in her career she worked with the Alaska State Office of Tourism where she managed the entities contracts for state tourism marketing.

Some of the projects in which she is currently responsible for including the development and implementation of the Anchorage Airport marketing and business development plans, international business relations and strategic planning for the Alaska International Airport System.

Ms. Wassel has over 25 years of experience specializing in marketing, finance and business administration. She attended Gannon University and graduated with a BS in Business Administration. Ms. Wassel is active in her church, serving in various leadership roles as needed. She enjoys being involved with her daughter, in college at Washington State University, as well as being active with her son in outdoor activities.

#### About Bryan Dietz

Bryan Dietz is Vice President of Air Service Development for the Allegheny County Airport Authority in Pittsburgh, Pennsylvania, overseeing the development of passenger and cargo flights from Pittsburgh International Airport. Entering his ninth year at Pittsburgh International, Bryan has been instrumental in leading the airport's transition from a



Our main Ramp – Romeo parking spots. Photo courtesy Rob Stapleton, Anchorage International Airport.



Polar Air Cargo, Atlas Air and DHL ramp. Photo courtesy Rob Stapleton, Anchorage International Airport.

connecting hub to a strong origin and destination (O&D) facility serving the revitalized Pittsburgh region.

Since 2014 and before the pandemic hit in 2020, Bryan has helped facilitate a more than 80% increase in the airport's number of nonstop markets; secure service from eight new airlines including all three major ultra-low cost carriers in the United States. These actions attracted two new European carriers for transatlantic service; introduce the first ever all-freighter international scheduled service from the airport and reintroduce regional commuter service. During Bryan's tenure, passenger traffic has increased for the past five years, and Pittsburgh International was named Air Transport World's 2017 Airport of the Year.

Bryan is a graduate of Embry-Riddle Aeronautical University and holds his MBA from Robert Morris University in Pittsburgh, PA. He resides in Pittsburgh with his wife Shannon.

**Focus: What lessons were learned working through the pandemic environment?**

**Wassel:** Be prepared. Having our team being prepared to handle issues such as the pandemic, earthquakes, weather and operational issues is mission critical. Remain positive. Anchorage leadership keeps the teams positive, this is as important as being prepared.

**Dietz:** Passenger, cargo and revenue forecasts we completed earlier this year were effectively erased. Developing detailed contingency plans and having the ability to quickly pivot have been essential.

**Focus: What milestones of the new cargo agreement between PIT and ANC are most important?**

**Wassel:** ANC is looking to expand the North American supply chain network by exchanging management information, seeking cooperative



Crews unload a National Airlines flight in Pittsburgh after it stopped in Anchorage. The flight originated in Seoul, South Korea. Photo courtesy Pittsburgh International Airport.

marketing opportunities, exploring different industry alliances and creating synergies that benefit both airports.

**Dietz:** Cargo has been an increasingly important aspect of our operations. It makes sense for us to partner with one of the busiest cargo airports in the world as we market Pittsburgh as a convenient, cost-effective cargo destination.

**Focus: How do you envision supply chain alignments?**

**Wassel:** We are hopeful they will grow. For example, one successful mission accomplished during this pandemic was to create a safe and responsive supply chain with PIT for critical PPE equipment to be distributed throughout the northeast, Midwest and southeast.

**Dietz:** At Pittsburgh International Airport, we are developing an additive manufacturing campus known as Neighborhood 91 that will drive exports from the Pittsburgh region. With a connection to Asia via Anchorage, Pittsburgh and Anchorage can be a part of feeding the supply chain in both directions while also ensuring freight moves quickly and efficiently. Other popular commodities, like fresh-caught seafood, could also be imported directly to distributors in our region.

**Focus: Is there an optimal percentage of passenger to cargo that generates the most profitable and balanced revenue mix?**

**Wassel:** It would depend on the cargo as some could generate more than others. What we do know is airlines that carry cargo, whether in belly and/or dedicated freighters make money.

**Dietz:** For passenger carriers, particularly those with large international networks, belly cargo can generate 10 percent or more of a flight's total revenue. While each carrier's business model places varying degrees of importance on cargo, per-kilo rates are a major factor. We focus as much on cargo operations as we do on passenger operations to ensure our airport is diversified and able to pivot depending upon which part of the industry is thriving.

**Focus: Should passenger airlines place cargo as a new priority and continue to build this sector after the pandemic ends?**

**Wassel:** This pandemic demonstrated the importance of cargo and dedicated freighters. The airlines are evaluating their cargo operations a little differently.

**Dietz:** It's certainly a valid question, and it will be interesting to see how each carrier evaluates their strategy around cargo moving forward. Margins and incremental costs to carry additional cargo will likely drive those decisions.

**Focus: What types of cargo are contributing to recent tonnages?**

**Wassel:** PPE, pharma, car parts, clothing and just about anything. Airport activity reports do not require carriers to disclose cargo manifests, I assume eCommerce products are also in the cargo mix.

**Dietz:** Personal protective equipment (PPE) has, unsurprisingly, been a catalyst for several charter flights from Asia to Pittsburgh via Anchorage over the past several months. As e-commerce companies have seen a boost in sales during the pandemic, integrators like FedEx and UPS are bringing more shipments into Pittsburgh that are bound for residential delivery.

**Focus: Have you reached out to forwarders and 3PLs to increase and grow market share with you?**

**Wassel:** Yes. We have meetings with Amazon, JD.Com; Alibaba and continue these important discussions with these entities to find out where they are looking to expand and how we can help them.

**Dietz:** We work with companies at every level of the supply chain network to ensure they are aware of the unique speed at which we move freight and the unique attention cargo operators receive from us as an airport. With our location halfway between Chicago and New York, many of the players in the supply chain are thrilled at the speed at which their freight can arrive in a distribution center within hours. Our goal is to not only meet but exceed their expectations on costs and handling time.

**Focus: Are airports depending less on passenger O&D traffic?**

**Wassel:** Each airports market is a little different. You must understand the business and tourist traveler to know what is feasible for your market. ANC is Alaska's gateway, it is important we maintain top-notch terminal operations for all customers. ANC is also sixth in the world for cargo throughput, so it is just as important we maintain safe and efficient operations for our dedicated freighter customers.

**Dietz:** The precipitous drop in passenger demand following the COVID-19 outbreak has offered a lesson in the importance of diversification of operations and revenue streams. Cargo provides several advantages including an additional source of aeronautical revenue, the ability for local companies to quickly import and export goods, and a measurable economic impact for the region.

**Focus: How and why are airports staying current on manufacturing center movement?**

**Wassel:** We watch all movement. Two examples are China to Vietnam and India manufacturing centers, which is expanding. We do this because wherever manufacturing centers are located, there will be air cargo that needs to be moved.

**Dietz:** We closely track these developments and collaborate with local shippers and importers to understand their needs. That's crucial to staying up-to-date in this environment.

**Focus: What carriers and cargo customers do you currently serve?**

**Wassel:** Many. Our major players include Air China Cargo, China Cargo, China Southern, AirBridge, Asiana, Korean Air, Atlas, Polar, DHL, UPS, FedEx, Cargolux, Cathay, China Airlines, EVA, Etihad, Kalitta, National Nippon, Qantas, Singapore, Skylease, Southern Air, Suparna, Volga-Dnper and Western Global Emirates.

ANC's eleven station managers have moved here from their home countries. These professionals are assigned to manage their individual cargo flights. These include the recent 110 daily flights of wide-body dedicated freighters.

**Dietz:** Cathay Pacific recently launched cargo service from Hong Kong to Pittsburgh. We have also hosted Qatar Airways Cargo in the past; it was the first airline to begin all-freighter international service to our airport, which was typically served via belly cargo. Currently, FedEx Express, Mountain Air Cargo and UPS all provide regularly scheduled cargo service, combining for 60 operations during an average week. Pittsburgh also successfully supports several unique ad-hoc operations such as National Airlines throughout the year that have included live animals, perishables, bulk apparel and oversized industrial equipment.

**Focus: What markets are you building?**

**Wassel:** ANC has many opportunities, we have three land-lease applications for additional cargo warehouse capacities. These facilities, should be completed within one to three years. They will anchor new tenants with options for their ANC cargo to be transferred to other aircraft, increase their export and import business, obtain quality pharmaceutical storage, have greater warehousing choices, add additional perishable operations; the possibilities are limitless.

**Dietz:** Prior to the COVID-19 pandemic, Pittsburgh had scheduled belly-cargo capacity to Europe, specifically London and Frankfurt through British Airways and Condor Airlines. While Europe continues to be a focal point, Asia offers an opportunity to connect Pittsburgh with key manufacturing centers, and that's one of the reasons why we're excited about this strategic partnership with Anchorage.

**Focus: Digitizing the global supply chain affects how airlines handle cargo. What is the airport's obligation to its cargo partners?**

**Wassel:** We support digitization implementation with terminal space, buildings and fulfilling operational needs. We do what is necessary to assist all our customers.

**Dietz:** As innovations like blockchain and RFID play an increased role



Looking south to the FedEx UPS Operations ramp. Photo courtesy Rob Stapleton, Anchorage International Airport.

in the air cargo supply chain, it is imperative that airports work with their partners to support the implementation of these technologies when practical.

**Focus: Where can progress on warehouse digitization be found?**

**Wassel:** We are keeping our finger on the pulse of the proposed air cargo warehouse developments and their progress. They should be operational very soon.

**Dietz:** Even though our new 75,000-square-foot cargo terminal is still in the early stages of planning and development, we're already looking forward to including the latest technologies and are actively evaluating demand for specialized services like cold storage for perishables and pharma.

**Focus: What MRO support do carriers require?**

**Wassel:** The FedEx hangar operation at ANC supports their MRO needs. At this time, we do not have any other facilities. However, our carriers, have had maintenance requirements that were performed (including engine changes) on the ramp by their current ground handler maintenance crew. MRO development is something the airport continues to explore with developers.

**Dietz:** While heavy maintenance is usually completed at pre-determined, contracted facilities, Pittsburgh offers cargo operators peace of mind by having a line maintenance provider on property to quickly identify and safely resolve any issues that arise.

**Focus: What is your view of private – public airport partnerships?**

**Wassel:** These offer opportunities for entities to grow infrastructure at the airports. ANC is a State Agency and has partners within the State with Economic Development, and State finance developers that we continue to work with.

**Dietz:** We value the partnerships we have with the private sector. It's relationships like these that enable us to bring together the key players in the additive manufacturing supply chain and make the Neighborhood 91 advanced manufacturing campus a reality.

**Focus: What onsite initiatives improve air cargo flow?**

**Wassel:** ANC conducts annual runway and taxiway maintenance to ensure the airport the airport remains open and operational 24/7/365. We have upgraded the two primary runways and taxiways to meet Aircraft Design Group VI specifications and handle the largest air cargo freighters.



UPS and FedEx planes park on the apron at the dedicated cargo facilities at Pittsburgh International Airport. Photo courtesy Pittsburgh International Airport.

**Dietz:** Pittsburgh is fortunate to have an airfield layout that is advantageous for growth, with four runways including a crosswind runway. The airport is currently building its own microgrid, powered by solar panels and natural gas drawn from the property, that will ensure energy security and redundancy, keeping the facilities operational even in power outages. We're also investing in a new cargo facility that will complement existing infrastructure, ensure uncongested operations and maintain Pittsburgh's strategic advantage. A recent \$18 million federal BUILD grant we received to help construct that facility underscores the huge opportunity that our cargo and governmental partners see in Pittsburgh.

**Focus: Which operations most help eCommerce customers?**

**Wassel:** The proposed LLA(s) for air cargo warehouse developments are the result of our published expression of interest posted a year and half ago. We constantly evaluate what and how we improve tenant operations, as well as, how to anchor their ANC operations.

eCommerce customers benefit from the operational efficiency of the infrastructure and geographical location that ANC provides. We're just 9.5 hours from 90% of the industrialized world; and have three runways more than 10,500 feet in length, more than 60 air cargo parking spots, 16 wide body flow through parking spots, hydrant fueling, and world-class ground support. Air cargo customers also enjoy liberalized cargo transfer rights at ANC.

**Dietz:** eCommerce customers, like other air cargo operators, benefit from Pittsburgh International Airport's all-weather operating capabilities, short taxi times, expeditious freight handling and nearby interstate highway access.

**Focus: Which efficiency ideas best streamline airport cargo security issues and TSA clearance points?**

**Wassel:** The majority of the air cargo wide-body aircraft land at ANC. CBP clears aircraft to land or depart, airway bills, paperwork is completed and the aircraft continues on to their destination. Many go on domestic routes, but its cargo still must obtain security and TSA clearance at its final destination. For intra-state cargo, ANC has very efficient CBP/TSA clearance operations that work on fish, goods and products that fly to intra-Alaska communities.

**Dietz:** We're fortunate to have a strong relationship with government agencies like TSA and CBP, which reduces complexities for our air cargo partners. Deploying cost-saving measures, such as K-9s, help to speed cargo screening while maintaining high levels of security.

**Focus: What type of new technology skills are airports requiring to keep pace with industry advances?**

**Wassel:** ANC stays abreast of each aspect of running an airport. ANC keeps up with new technology, badging, check-in, runway pavement testing, security. All airports must stay current with industry technological advancement. Cost is the issue most airports face.

**Dietz:** We are constantly evaluating and implementing new technology, from ultraviolet cleaning robots to real-time security screening waits, we're training our team to not only use those tools but help innovate them further. We're proud of the partnerships we've built with local tech companies and universities, including Carnegie Mellon University and the University of Pittsburgh.



**Focus: How have airport teams interacted with the local community during the pandemic?**

**Wassel:** ANC works with all of our industry and community partners. As a state agency and facility, we follow the Governor's mandates. ANC interacts with our visitor industry, local community councils, state and city chambers, World Trade Center, economic development agencies and customers. We try to be supportive and responsive the best we can.

**Dietz:** Even as our passenger traffic has slowed our work has accelerated in other ways. In addition to increases in cargo, our team has engaged with the community by partnering with the Greater Pittsburgh Community Food Bank in hosting multiple food drives in our parking lots since the pandemic began. Additionally, our leadership team has engaged with a variety of community organizations through virtual speaking engagements.

We have also partnered with local companies like Carnegie Robotics to become the first airport in the US to deploy autonomous robots to disinfect our terminal floors as part of our new cleaning initiatives. Everything we do is for the betterment of our region.

**About Ted Stevens Anchorage International Airport (ANC)**

The Ted Stevens Anchorage International Airport is the major air cargo gateway for Trans-Pacific air cargo. Its strategic location on the great circle route made it an important technical stop and trans-load hub for air cargo freighters flying between Asia and North America. In 2019, an average of 75 wide-body cargo aircraft landed daily at ANC, transiting through North America and beyond.

ANC is the gateway for tourists traveling to great state of Alaska. In 2019, over 5.7 million travelers came through the airport. Lake Hood Seaplane Base, the largest seaplane base in the world, is also home to ANC. It offers over 800 wheeled or float slips. General aviation aircraft can take off from the lake on floats in the summer and on skis from the frozen lake during the winter.

**About Pittsburgh International Airport (PIT)**

Pittsburgh International Airport is committed to reflecting and serving the community, inspiring the industry, and advancing the region's role as a world leader. Pittsburgh International serves nearly 10 million passengers annually on 17 carriers. The airport was named by Fast Company magazine as One of the Most Innovative Companies in the World as well as a finalist in its World Changing Ideas awards, both in 2020.

Cargo is a major initiative at the airport as Pittsburgh's ideal location – halfway between New York and Chicago – make it an attractive destination along with easy access to major interstates and an efficient airfield. The airport received an \$18.69 million federal BUILD grant in 2019 to expand PIT's cargo facilities. The new 75,000 square foot facility will supplement the goal of transforming the airport into an international logistics center.



**NOTE:** For additional information, please visit: <https://flypittsburgh.com/>

**NOTE:** For additional information, please visit: <http://www.dot.state.akus/anc/>

# From the Top

## Bryan Schreiber, Manager, Air Cargo Business Development Rickenbacker International Airport

Interview by Robert Christensen and Kathy Belmont



Bryan Schreiber

### About Bryan Schreiber

Bryan is the Manager of Air Cargo Business Development for the Columbus Regional Airport Authority (CRAA) which operates Rickenbacker International, John Glenn International, and Bolton Field airports in Columbus, Ohio.

As Manager of Air Cargo Business Development Schreiber is responsible for strategy and relationship development, facilitating industry growth and assisting economic development entities with respect to air cargo, through Rickenbacker International Airport in Columbus, Ohio. This includes promotion of the logistics partners and assets surrounding the airport and oversight of Foreign-Trade Zone 138, one of the busiest in the US, and administered by the airport authority. Schreiber focuses on bringing Central Ohio more opportunities for air cargo service, logistics industry growth and international business

attraction. Schreiber has over 20 years of experience in the Central Ohio airport and logistics industries. He began his career in operations and regulatory compliance. He has served in his Business Development role for the Columbus Regional Airport Authority since 2012.

Schreiber received his Bachelor of Science in aviation management from The Ohio State University with a minor in city and regional planning. He has also served as the chair of the Airports Council International, Air Cargo Committee, is a Columbus Regional Logistics Council Advisory Board member, and serves on other industry steering groups.

**Focus:** Describe how the Columbus Regional Airport Authority and Rickenbacker International Airport serve Ohio and the cargo industry.

**Schreiber:** The Columbus Regional Airport Authority (CRAA) connects Ohio with the world by managing and operating cargo-focused Rickenbacker International Airport (LCK), passenger-focused John Glenn Columbus International Airport (CMH), and general aviation airport Bolton Field (TZR). At Rickenbacker International we are home to operations for integrators FedEx and UPS, and international freighter airlines like Cathay Pacific, Cargolux, Emirates and most recently Korean Air Cargo. CRAA also oversees a fourth entity that is an important piece of the logistics environment: Foreign-Trade Zone #138. A federal program administered by CRAA, FTZ 138 has a high nexus with our air cargo activities at Rickenbacker. FTZ 138 serves as an international business attraction tool for the region, in addition to saving money and strengthening the supply chain for logistics and distribution companies.

**Focus:** How does the Columbus business community contribute to Rickenbacker's logistics industry businesses?

**Schreiber:** Columbus, Ohio is a logistics hub, and has been since America's industrial revolution. Columbus first served as a transportation node across our growing country. What was once called "The National Road," now U.S. Route 40, runs through Columbus. It was the first improved Federal highway in America connecting a growing country east to west.

The Ohio Erie Canal was a vital transportation route via water that ran through Columbus and connected Lake Erie to the Ohio River. In fact, it ran right through the Rickenbacker area. Rickenbacker International Airport was originally Lockbourne Air Force Base, hence Rick-



Emirates and Korean Air are two airlines now flying regular cargo to LCK via passenger-freighters. Photo courtesy Columbus Regional Airport Authority.

enbacker's designator 'LCK'. The 'Lock' in Lockbourne referenced the locks along the canal, the remnants of which run adjacent to our property. Fast forward to today and we have a thriving logistics hub situated on the same ground. Logistics was in our DNA from the beginning and remains a key part of our economy. We have a very supportive business community and a high concentration of logistics-related businesses. You can find learn more at our Chamber of Commerce site: <https://columbusregion.com/industries/logistics/>

**Focus: Please describe Rickenbacker's fixed-based operation and personal service.**

**Schreiber:** At Rickenbacker, we manage all of the aircraft ramp handling ourselves, except for the FedEx and UPS operations. This means our airport authority's subsidiary Rickenbacker Aviation performs all of the cargo loading, unloading, aircraft fueling, crew and catering arrangements, etc. This enables us to be directly connected to customers and not just serve as a landlord. It helps us ensure the airlines' experience is top-notch, as well as that of their forwarder and shipper customers. We go the extra mile to build and strengthen our customer relationship.

In addition to the ramp handling and airline interface, I will personally meet and escort customers, usually with the forwarders and sometimes their shippers, onto the airfield to observe operations if interested. I do this when new companies begin to use the airport. If customers fly in from out of town, I will pick them up from their hotel or the CMH airport and take them to LCK to see the operation, day or night.

I've often been on the ramp with new customers at 2 or 3AM and am happy to do so as freighters don't just arrive during business hours. It is reassuring to them to be able to observe their cargo being off-loaded, have any questions answered and see they are in good hands at LCK. That's the kind of personal service that forwarders and shippers don't often see at other airports.

**Focus: Describe an instance that LCK has assisted a carrier?**

**Schreiber:** A recent example is the innovation that we brought to unloading passenger-freighters for Emirates. Rickenbacker is one of the few, if not the only non-passenger hub airports to see a substantial amount of these type of flights. In June, we saw double daily Emirates passenger-freighter arrivals with a steady stream of traffic out of

Emirates' Dubai and Asia hubs. Shortly after starting this passenger-to-freighter program, Emirates began sending planes with the seats removed, which enabled more volume per aircraft. Our ground handling staff came up with a solution for more efficient aircraft service and we were able to work with Emirates' engineering division to secure the ability to bring portable roller conveyors onboard that could easily transport cargo to the aircraft door. This solution sped up the unloading process and allowed us to do it with less manpower and decreased fatigue on our staff. Emirates was pleased and we were very enthusiastic and proud about the staff's innovation. This win-win-win for the airport, the airline and our forwarding and shipper customers shows the kind of partnerships and elevated service that are common here.

**Focus: How does Rickenbacker Airport interact with Rickenbacker's Inland Port to process international cargo**

**Schreiber:** The term "inland port" can mean a variety of things. In general it denotes a lading and unloading location away from the deep-water seaports. We recently enhanced our description of the port to "North American International Freight Center" in order to describe its true function—a multi-modal logistics hub connected to deep-water ports and all modes of Midwest transport that serves a greater part of North America.

In addition to our passenger and cargo airports, we have four rail intermodal terminals in the area, including major Class I railroads that connect to seaports for ocean traffic, as well as transporting domestic boxloads. The Norfolk Southern Railroad has a pivotal terminal connected to Rickenbacker. In fact we collaborated with railroad leadership and the Port of Norfolk, Virginia to help develop the terminal. It opened in March 2008 and had expanded several times.

The Rickenbacker intermodal terminal is connected to east and west coast seaports, providing ocean connectivity for many of the same companies that use LCK's air connectivity. Now, companies can choose air, ocean or domestic transportation, plus use foreign-trade zone services, while benefiting from Rickenbacker's geographically advantageous location. This rich "logistics ecosystem" has led to a boom in transportation and distribution businesses setting up with us.

**Focus: Has Rickenbacker incorporated trucking into its cargo connection ecosystem?**

**Schreiber:** LCK has incorporated hubs for trucking services related to air cargo and general freight. Forward Air, the nation's largest air cargo trucking company, has its north American hub here, connecting to over 90 cities in the US and Canada. Forward Air recently announced a 40 million dollar expansion of that facility, which is located right across the street from our international air cargo terminals at Rickenbacker.

We also have several other air freight trucking companies with hubs here and a variety of specialized trucking operations for integrated companies such as UPS, FedEx, and Amazon. Specialty hubs in the area include McKesson, which transported mass quantities of PPE cargo during the height of the pandemic.

**Focus: Who attends Rickenbacker master planning meetings?**

**Schreiber:** Airlines, handling partners, forwarders and other partners located on and around the field and other stakeholders. Community input is invited, which is required by the FAA. We are open to anyone interested in participating or giving input. We had hundreds of partners participate in our last masterplan update engagements. The resulting 20-year plan is now being finalized by the FAA.

**Focus: In what ways has belly cargo challenged the air cargo freighter industry?**

**Schreiber:** When I first started working in cargo business development, there was much speculation on the "death of the freighter." This was due to all of the wide-body belly capacity coming online. The speculation never came to fruition. In fact, the share of cargo carried aboard didn't change greatly as far as percentages. There are many routes with more freight than passenger traffic and vice versa.

Fast forward to COVID-19 and the undeniable fact that the freighter is a vital part of the international supply chain and logistics continuity. To take it even further, I speculate there are some airlines that have long since ceased flying freighters that may be rethinking entertaining freighter cargo.

The pandemic's PPE demand resulted in Emirates, which uses both passenger and freighters in their fleet, are now flying to Rickenbacker with their passenger aircraft bearing freight. Korean Air, has initiated scheduled cargo-only passenger aircraft service to LCK at 6X a week frequency. It employs the same type of flight conversions as Emirates.

It is unknown how long this trend will last, but it shows the vulnerability of the airfreight industry to disruptions on the passenger side, which I believe makes freighters all the more important for supply chain resilience.

**Focus: Do you see a place for combi-aircraft that mixes passenger and freight on one deck?**

**Schreiber:** I am not an airline analyst, but I would think that if the long-haul international passenger traffic is suppressed for some time, coupled with lower potential international travel, this type of configuration would start to make more sense. They are already doing half of the equation now, flying passenger aircraft with the seats removed to make way for freight in the coach sections, while leaving business and



LCK onsite refueling services. Photo courtesy Columbus Regional Airport Authority.

first-class seating intact. One would need to examine the routes where freight demand is higher than passenger, but business passenger traffic still in the mix or returning. The cost of conversion and yields for certain lanes on both freight and passenger traffic would come into play. There likely are people making these calculations and considerations as we speak.

**Focus: Have the customer's expectations been met from the aspect of their truckers' ability to deliver freight to distributors from LCK?**

**Schreiber:** We are fortunate at Rickenbacker in that there are no landside congestion or access issues. Rickenbacker has been stress tested before with supply chain disruptions that required huge amounts of air cargo throughput to road and DCs. We handled everything pretty much in stride. While it was busier, it remained business as usual.

We saw peaks during other supply chain disruptions. We once had an auto manufacturer fly many 747 loads of auto parts into LCK bound for other regional points. The program's air charter manager was amazed at how quickly trucks were able to pick up freight and be on the road after the aircraft landed.

Much the same happened during the west coast port strike of 2015. These along with COVID-19 experiences tested both our airside and landside access procedures. We passed those tests with flying colors.

Cargo availability and tender time is one of our key advantages at LCK. Those carriers and forwarders that take advantage of LCK's infrastructure are happy with the performance they receive.

**Focus: How do economic concerns mesh with environmental and social aspects?**

**Schreiber:** These areas are not mutually exclusive. Companies that take environmental and social concerns seriously, as part of their corporate culture, are the ones that are thriving and growing. At CRAA we are proud to have a robust diversity, equity and inclusion program and substantial sustainability initiatives. For instance, as part of our 2020-2025 Strategic Blueprint, we are aiming to increase diversity spend to 25% of personnel and eligible operating expenses. And in early 2020, we committed to sourcing 100% of John Glenn Columbus International Airport (CMH)'s energy supply from renewable sources. We have also just received our first pieces of electric ground support equipment at Rickenbacker, including an electric main deck loader and belt loader.

**Focus: In addition to PPE, normal and expedited cargo; how much more capacity can be afforded to handle holiday shopping demands?**

**Schreiber:** Peak has always been part of our annual cycle. We are a retail-heavy city with millions of square feet of distribution center spaces, in addition to eCommerce and store fulfillment centers for a myriad of companies. We have worked with retail industries for decades. The store-stocking peak is September through November and boosts general air cargo traffic. The package peak with substantial FedEx and UPS activity on the field ramps up during the final weeks of December.

Life at Rickenbacker would not be the same without these peaks. For the good of our partners and the economy, we hope this will remain the case this year. We have yet to see how COVID-19 changes the dynamic. We already see that it has accelerated the adoption and market penetration of online shopping. There are many online fulfillment centers in the Columbus area.

**Focus: What new services does Rickenbacker offer its employees?**

**Schreiber:** We are involved in workforce collaboration through the Rickenbacker Area Employer Assistance Network, which is a focused group that benefits the companies in our area. The collaboration includes everything from wage and benefit studies, to shared resources. We have a shuttle system, enacted by community partners, that circulates through the warehouse districts. It brings employees from the bus stops directly to the warehouse parks. Employee mobility and well-being is important to ensure people have the means to get to work.

**Focus: Describe the warehousing capabilities, annex space and accommodations offered on and off Rickenbacker's site?**

**Schreiber:** Our newest air cargo terminal, Air Cargo Terminal 5 was built in 2016 and run by our warehouse handling partner Total Airport Services. The current size of that terminal is 100,000 square feet, 9,290 square meters, which includes about 18,000 square feet of office space for forwarders and logistics companies.

Air Cargo 5 is situated on prime freighter parking apron space with hydrant fueling, and is our primary international air cargo handling facility. The building has not reached its capacity and has the ability to expand twice its current size. The land is prepped and the building rights are there to construct the second half of the building very quickly.

We have also invested in and constructed the ramp expansion for the next phase of Air Cargo 5, so everything is ready to go when needed. Additionally, AeroTerm, the company that owns NE Cargo at ORD also owns some of our facilities, which were old aircraft hangars situated in a prime spot right on our second cargo ramp. These are currently underutilized and could be redeveloped with ramp and hydrant fueling already in place.

We have a third portion of land adjacent to the cargo apron that is available to develop as well. We are looking for a developer for that. These areas are connected, or connectable to the primary freighter ramps already in place at LCK. This about half of what could be developed if we also use the land on the other side of the runways. A large hub operation could be constructed here.



LCK ramp stop teams offers "all-hands-on-deck" 24/7 service. Photo courtesy Columbus Regional Airport Authority.

Off airport, we have practically every industrial real estate developer in the US with land building positions. We are approaching 90 million square feet (8,361,000 square meters) of warehouse, distribution and logistics space under roof in the area directly adjacent to the airport. Some of this is speculative build, so if a forwarder or a distribution services provider would desire space just off-airport, there is space to be had.

**Focus: How is Rickenbacker adding supply chain capacity?**

**Schreiber:** Through service providers who are growing and expanding here, and in partnership with public and private community partners. We have an excellent regional planning agency. We also have a robust real estate development market surrounding the airport that, in addition to bringing in new businesses, is helping drive the continued infrastructure expansion. I am amazed that when working at home for much of the time this year, every time I come into the airport there are new buildings going up, new roadways, truck stops and runway improvements underway, many of which were not present just weeks and months prior. The area is booming. I hope your readers have a chance to see all the positive activity for themselves.

**Focus: Columbus is among America's "10 Smart Cities." What types of initiatives are taking place?**

**Schreiber:** The Smart Cities initiative is important to the region. There are different technologies being tested, from autonomous vehicles to smart-connected infrastructure. We are fortunate to be a recipient of the Smart Cities program, transportation-related grants and other innovation initiatives. This infusion of new ideas will undoubtedly have a positive impact on our logistics business. Logistics programs include a smart phone app for trucks working in and around Rickenbacker's foreign trade zones. The app gives operators real time traffic info, making their Columbus drives more efficient.

A second Rickenbacker solution is designed for truck platooning. Its sensors will enable long-haul convoy trucks to connect and automatically coordinate speeds, braking actions and navigation with one another. This solution results in fuel savings and emissions reductions.

**Focus: What should an airport offer carriers to help add new routes, hubs and services?**

**Schreiber:** In general, airports should be good partners and engage for the benefit of the carriers. At Rickenbacker, we offer a quality service program. Our community is comprised of a highly collaborative environment with ample available workforce. At the same time, we work to keep the airport costs down. We also help promote service across our region and to North American businesses.

The business of Rickenbacker is not just about serving Ohio, our reach extends to the eastern half of the US and Canada. We have successful partners serving locations as far away as Texas, Florida, the Carolinas, and into Canada.

We have land to develop facilities. Many airports cannot say this and have to rely on a limited amount of cargo space. Since we are focused on freight, and not passenger, our limitations are much less here.

We also have the best ground handlers. Aside from the ramp, our newest air cargo terminal was built in 2016, and is our primary international air cargo handling facility run by Total Airport Services. That facility is able to be expanded to twice its current size, currently 100,000 square feet of on-ramp space including warehouse and office. We have already built the ramp for that expansion and it is ready when we need a larger facility. We have several developable on-ramp spaces, some we own and some of which partners like Aeroterm own.

Lack of congestion is another plus on both airside and landside. We have not experienced any problems with freight tendering or truck queuing issues. Forward Air announced an expansion of their largest North American hub.

We offer incentives for new freighter service. We keep our landing fees low, and have no parking fees as a benefit.

**Focus: Describe the need of Rickenbacker's air cargo carriers.**

**Schreiber:** In a nutshell, they want strong freight markets, quality handling, low cost, efficient services and an ease of doing airport business. At LCK, freighters are put first in line.

**Focus: How important are ramp and landing fees for cargo aircraft?**

**Schreiber:** These fees can be critical. One carrier saved over \$20,000 a month over an adjacent gateway, just to park the aircraft. This does not consider the landing and other handling fees. Rickenbacker has landing fees, as do most airports, which is how they keep the airfield maintained. But our landing fees are a fraction, less than half to a third, of other major gateways. Another benefit to cargo carriers at Rickenbacker is the ability to qualify for the lowered, signatory landing fee rate in exchange for flying at twice weekly frequency.

Freighter operators do not want to be tied down with leasing airport space in order to receive passenger operations benefits. We give up a good bit of money in landing fees due to that arrangement but we feel it is an appropriate reward to the airlines in exchange for their partnership and commitment to the market.

**Focus:** Discuss the digital synergies that will serve logistics stakeholders now and in the future.

**Schreiber:** As with most of the industry, the players and stakeholders communicate on a variety of dedicated Customs, and cargo platforms.

A cargo community system is definitely on our radar, the timing of which would be tied to growth and need. I am impressed with what airports like Brussels, Liege and others have done. As far as digitization and communication, we are studying those programs and the benefits that it could bring to Rickenbacker's air cargo community.

As far as efficiency is concerned, digitization is generally an industry issue. Our ground efficiencies are more borne out of a highly collaborative and communicative group already in place. Rickenbacker ground crews process freight as fast as they are allowed to move it—there are few system bottlenecks. We have a proactive US Customs office based at Rickenbacker. They pride themselves in keeping goods moving.

Becoming fully digitized is on the list as we continue to grow and need those solutions. In the meantime, we make it our business to solve customer issues.

**Focus:** Describe Rickenbacker's refueling capabilities.

**Schreiber:** We own and operate the LCK fueling facilities, receiving and storing deliveries on behalf of the airlines who have the direct relationships with fuel providers. We provide storage and dispensing services.

**Focus:** What importance is placed on an airport's community ecosystem?

**Schreiber:** Very high. Air cargo may involve moving boxes, crates and pallets, but at its heart it's a people business. We have active stakeholders and a great logistics ecosystem in Ohio. Our air cargo community is part of that system. One of the most fulfilling parts of my job is interacting with our cargo community stakeholders.

**Focus:** What is the airport's obligation to industry stakeholders?

**Schreiber:** We are a critical piece of the infrastructure, but airports are more than proprietors. A successful cargo airport rightly sees themselves as a growth driver participant. Airports should bring stakeholders together on neutral ground to facilitate new initiatives for the good of all of customers, collaborators and partners. Additionally, airports serve a vital role as some of the largest economic growth drivers in their regions.

**Focus:** Talk about alliance and association work with Rickenbacker International Airport and The Columbus Regional Airport Authority.

**Schreiber:** Rickenbacker International Airport is owned and operated by the Columbus Regional Airport Authority. We engage with a number of air cargo and logistics associations, and serve on their steering committees.

Our local air cargo association is very engaged, as is our Columbus Region Logistics Council, which is part of our Chamber of Commerce. We are a Council of Supply Chain Management Professionals member and other air cargo industry groups including the Animal Transport Association, TIACA and the Airforwarders Association.

We believe an airport should participate with forwarders' association. We became a Platinum member of AFA because their issues are our issues and we see forwarders as a key constituency. We are proud to support Brandon Fried and the AFA team who advocate for the industry.

**Focus:** Does LCK help train future logistics and airport personnel?

**Schreiber:** Our airport managers take training and education seriously. We participate in programs and direct engagements with local middle and high school students, to Universities and professional groups. Ohio State University, Franklin University and Columbus State Community College offer robust supply chain and logistics programs. Ohio State has an advanced logistics degree program, pioneering many national logistics groups and associations. A student can receive a Master's Degree in Logistics and International Business from Ohio State.

The Columbus State and Franklin University programs are focused on Associates degree programs and equipping non-traditional students with skills that transfer into real world employment and advancement opportunities. LCK has hosted foreign university programing groups such as Kühne Logistics University in Hamburg, Germany.

Regionally, we are on the steering committee for the Ohio Supply Chain Advisory Network. Their mission is to help develop degree programs within multiple universities across the state, and raise awareness within high schools of industry opportunities.

**Focus:** Please address LCK's engineering and maintenance centers.

**Schreiber:** LCK has satellite offices for companies serving line maintenance freighter operator needs. We currently are searching for a heavy maintenance widebody facility, and have acres of developable land identified that could house an entire freighter hub, in addition to a maintenance facility, all airfield connected. Essentially, the area inside the airport fence-line is half developed, which affords an operator the opportunity to cite a facility with possible tax incentives.



Weather conditions are met by professional LCK freight offload teams. Photo courtesy Columbus Regional Airport Authority.

**Focus: What attributes do you look for in cargo airport applicants?**

**Schreiber:** For employees, we always look for a “can do” attitude, a willingness to work hard, an understanding of the importance of teamwork and ability to innovate. I put less emphasis on resume credentials and place emphasis on what I see in a person and hear when talking with them. The technicalities of air cargo can be learned on the job, but it starts with the right person.

**Focus: Where do you envision the cargo industry in three years and how it relates to Rickenbacker International Airport?**

**Schreiber:** LCK leadership and the Columbus Regional Airport Authority community recognize Rickenbacker and its freight operations as a vital component to the area’s economic development initiative. Prior to COVID-19, our growth path had been very steep.

We are fortunate to have sustained support and strong interest by air freight stakeholders. Our huge international growth started with small nimble companies. I am speaking of forwarders that service the fashion industry. This growth has expanded through diversified commodities. Larger players are taking notice. We invite these companies to look at Rickenbacker as an untraditional gateway asset.

LCK will continue its growth in a post-COVID environment driven by good partners. When a company discovers the advantages of locating we make every effort to become a part their future. LCK remains open to industry engagement on specific needs. To any company in the air-freight market looking to establish an ideal base for their eastern US and Canada operations, we are all ears.

**About the Columbus Regional Airport Authority**

The Columbus Regional Airport Authority (CRAA) is the owner and operator of the three airports in central Ohio. The Authority is also the Administrator of Foreign-Trade Zone #138, with a service area of 25 counties in Ohio. The Zone is one of the country’s Top 10 busiest of nearly 200 active FTZ’s in the US. Rickenbacker and FTZ #138 are part of the robust ecosystem of logistics assets and companies.

An independent economic impact study found that Rickenbacker International Airport, John Glenn International Airport, Bolton Field and Foreign-Trade Zone 138 contribute to regional and state economies with nearly 59,000 jobs, \$3.1 billion in annual payroll and \$12.9 billion in annual economic impact.

**About Rickenbacker International Airport**

Rickenbacker International Airport supports the world’s largest aircraft, yet it offers a wide range of scalable services for all aircraft types – including corporate, general aviation, commercial, air freight and military. Rickenbacker International Airport is strategically located within a 10-hour drive of half the US and a third of Canadian populations, offering a regional geographic advantage.



**NOTE:** For additional information, please visit: <https://rickenbackeradvantage.com>  
For additional information, please visit: <https://columbusairports.com>

# Professionalizing the Broker

## Sandler, Travis & Rosenberg Trade Report

**The Report**— US Customs and Border Protection is proposing to modernize the custom broker regulations in 19 CFR 111 to professionalize the broker industry; formalize current practices, including those associated with the transfer of trade functions to CBP's Centers of Excellence and Expertise; and adapt regulations to reflect technological advancements such as the creation and implementation of the Automated Commercial Environment. Major changes include switching from a district permit system to a national permit system and increasing the broker license application fee.

Among the changes in this proposed rule are the following:

**Permits**— Broker districts and permits would be eliminated and be transitioned to national permits, allowing brokers to conduct Customs business throughout the US Customs territory. Brokers would no longer be required to maintain district offices and could establish an office anywhere within the US Customs territory. Brokers would have a designated Center that would be its primary point of contact.

**Licenses**— The broker license application fee would be increased from the current \$200 to \$300 for individuals and \$500 for businesses. Changes include requiring license applications to be submitted to the Center designated by CBP after the applicant has passed the license examination, eliminating applications to be submitted under oath, expanding the background investigation scope to include any association with individuals or groups that may present a risk to national security or revenue collection, and expand grounds to justify denial of a license.

**Duties and Responsibilities**— Brokers would be required to have direct communication with importers. Each broker would have to notify its designated Center within 72 hours of the discovery of any known breach of electronic or physical records relating to its customs business, along with a list of all compromised importer identification numbers. One restriction exception to brokers disclosing client information to third persons would be made for information properly in the public domain, which CBP states has been a point of confusion for brokers.

**Number of Brokers**— A provision stating that a sole proprietorship, partnership, association, or corporation must employ a sufficient number of licensed brokers relative to the job's complexity, subordinate tasks, physical proximity of subordinates, and abilities of employees.

**Factors Evaluated**— Currently, CBP considers whether a broker is exercising responsible supervision and control would be amended to, placing obligation employee training on the broker; allow brokers to provide electronic instructions and guidelines to employees; a consideration of the broker's reject rate relative to the overall volume of transactions; ensuring access to current editions of laws and regulations; and requiring brokers to be available to employees.

CBP is also proposing to add five new factors that may be considered: (1) Timeliness of processing entries and payment of duty, tax, or other debt owed to the government for which the broker is responsible or has received client payment. (2) Communications between CBP and the broker. (3) Broker's responsiveness to CBP communications, direction, and notices. (4) Communications between the broker and its officer(s). (5) Broker's responsiveness and action to communications and direction from its officer(s). Additionally, CBP would "consider the relevant factors from among those listed on a case-by-case basis."

**Importer Error**— The rule would place an affirmative duty on brokers to document and report to CBP when they separate or terminate their representation of a client they determine to be intentionally attempting to defraud or otherwise commit any criminal act against the US government. CBP states that this covers situations where a broker advises the client of a noncompliance, error, or omission; the client directs the broker to continue such noncompliance, error, or omission; and in response the broker terminates its relationship with the client. When they know that a client has not complied with the law or has made an error in or omission from any required document, affidavit, or other paper, brokers must currently advise the client promptly of that problem. Brokers must advise clients of, and explain, the proper corrective actions required and retain records of such communications, which could be reviewed by CBP on a routine visit to the broker.

**Freight Forwarders**— Drawback claimants would be added to the list of persons that a freight forwarder cannot forbid or prevent direct communications with by a broker in a compensation agreement. Brokers would not be allowed to rely on a customs power of attorney granted by a forwarder but would have to obtain one directly from the importer of record or drawback claimant.

**Disciplinary Actions**— This rule would give CBP discretion in pursuing civil or administrative investigation of disciplinary complaints against a broker rather than requiring such action.

### About Sandler, Travis & Rosenberg, P.A.

Since 1977, Sandler, Travis & Rosenberg, PA has set the standard for providing comprehensive and effective international trade-related legal and consulting services to clients worldwide. ST&R is the largest dedicated international trade, customs, and export law firm in the world. The firm offers expertise to companies of all sizes in complying with the laws, rules, and regulations affecting imports and exports.



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# Impending CBP Regulations

## Changing the Role and Duties of Customs Brokers

Megan Conyers, Florida Customs Brokers & Forwarders Association



Megan Conyers

The Florida Customs Brokers & Forwarders Association, FCBF, is dedicated to advocating for the Florida trade community, and strives to make their voice heard. June 2020, US Customs & Border Protection issued a Notice of Proposed Rulemaking (NPRM) for the Modernization of Customs Brokers Regulations. “With the numerous new tools, processes, and ways of conducting the Customs Brokers business, FCBF applauded CBP’s efforts to update the regulations that governs this profession,” said Megan Conyers. After several rounds of review and conversation conducted by FCBF membership, compiled with member concerns, the formal response was narrowed down to the most impactful and concerning changes. When the opportunity to comment arose, FCBF officially submitted their comments, seeking to communicate its members stance on CBP’s proposed changes to the Customs Brokers Regulations.

### US Customs and Border Protection, 19 CFR Parts 24 and 111 Docket No. USCBP-2020-0009

The Florida Customs Broker and Forwarders Association (FCBF) submits this response to the US Customs and Border Protection’s (CBP) Notice of Proposed Rule Making (NPRM) published in the Federal Register on June 5, 2020.

FCBF thanks CBP for the opportunity to offer these comments and support the effort to modernize 19 CFR Part 111 to align with current commercial conditions. Here, we offer commentary on certain proposed provisions that are not conducive to the responsibilities and daily activities of a customs broker. We feel strongly against the concept of a customs broker being a “force multiplier” from an enforcement perspective and, while we do want to ensure there is “enhanced compliance,” deputizing brokers, as some of these proposed changes demand, can lead to an unnecessarily conflictive, non-productive broker-importer as well as broker-CBP client relationship.

Additionally, the FCBF would like to express our support of CBP’s pending Advance Notice of Proposed Rulemaking (“ANPRM”) requiring continuing education, which will align the customs broker profession to other regulated professions that do require recurrent training. As a general practice, many customs brokers regularly engage in con-

tinuing education opportunities. As a next step, CBP should issue the ANPRM without delay, in order to structure these training requirements, increasing professionalism and compliance in an ever-changing trade environment.

Supporting those changes that truly modernize existing regulations, our comments will focus only on those parts where we do not feel that the proposed changes reflect the responsibility or intent of the customs broker’s role as a party licensed to conduct customs business.

#### §111.19 National Permit:

**FCBF Statement:** We have a partial concern with this proposed change. In the Federal Register Notice, CBP describes a vague requirement for a supervision plan implemented by the customs broker but does not detail what said plan will entail, noting the wording from the proposed regulation as follows:

111.19(b)(8) [The application must set forth or attach the following... a supervision plan describing how responsible supervision and control will be exercised over the customs business conducted under the national permit, including compliance with §111.28;

**FCBF Comments:** CBP should dictate clear requirements for what they believe is an appropriate “supervision plan” to avoid any delays or, worse yet, rejections, in issuing any national permit application, which is tantamount to conducting customs business. Recognizing that there are many business models, some clear guidance on minimum criteria specifying what the “supervision plan” should include would be appreciated to ensure this requirement is transparent and readily met.

#### §111.24 Records Confidential:

**FCBF Statement:** While we are mostly neutral about records confidential, we feel this proposed rule change needs some clarification in order to fully understand what is being required of customs brokers as follows:

#### 111.24 Records Confidential

The records referred to in this part and pertaining to the business of the clients serviced by the broker are to be considered confidential, and the broker must not disclose their contents or any information connected with the records to any persons other than those clients, their surety on a particular entry, and representatives of the Depart-

ment of Homeland Security (DHS), or other duly accredited officers or agents of the United States, except on subpoena or court order by a court of competent jurisdiction, or when authorized in writing by the client. This confidentiality provision does not apply to information that properly is available from a source open to the public.

**FCBF Comments:** We request that CBP provide greater clarity on what constitutes “records,” as well as the opportunity to provide further input on the feasibility of this proposed change once the definition is determined. Certain commercial circumstances dictate the disclosure of information that may not be permissible under the current proposal, for example: collections, banking or financial matters. Is a customs broker invoice for services considered a confidential record? If so, how would a broker engage a collection agency to assist in collection from a non-compliant importer of record where that same IOR does not agree to disclose their information? The NPRM mentions the word “record” sixty-six (66) times. We understand that CBP will continue to define the term “record” consistent with 19 CFR §111.1.,[1] but this definition does not contemplate records maintained outside of these requirements. Some of these records still include client-related information for which CBP would not grant confidentiality, but must be transmitted or shared to process a client’s cargo, e.g., for screening, transportation, etc. Limiting the universe of disclosable information only opens the broker for additional liability in an unforeseen manner.

#### §111.28 Responsible Supervision & Control:

**FCBF Statement:** This proposed rule change adds layers of ambiguity in defining the broker’s responsibility. We do not support this change. We highlighted the questionable additions in bold type:

#### 111.28 Responsible Supervision and Control

(a) General. Every individual broker operating as a sole proprietor, every licensed member of a partnership that is a broker, and every licensed officer of an association or corporation that is a broker must exercise responsible supervision and control (see §111.1) over the transaction of the customs business of the sole proprietorship, partnership, association, or corporation. A sole proprietorship, partnership, association, or corporation must employ **a sufficient number of licensed brokers** relative to the job complexity, similarity of subordinate tasks, physical proximity of subordinates, abilities and skills of employees, and abilities and skills of the managers. While the determination of what is necessary to perform and maintain responsible supervision and control will vary depending upon the circumstances in each instance, factors which CBP **may consider in its discretion** and to the extent any are relevant include, but are not limited to the following:

**FCBF Comments:** CBP should define the rubric used to determine the “sufficient number of licensed brokers” to ensure the proper supervision. At minimum, specific guidance should be provided to clarify the requirement by CBP and avoid ambiguity or subjective interpre-

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## The idea of obligating Customs Brokers to a certain level of reporting suspected fraudulent or criminal activity from a client-importer, in particular, extends far beyond the statutory constructs of 19 U.S.C. §1641 and even what attorneys are required to do in representing their own clients.

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tation. In addition, the change to “may consider” from “will consider” with regards to the discretion of the specified factors determining responsible supervision and control allows for arbitrary decisions from CBP. We request that it remain “will” to ensure standard application and enforcement in a uniform manner. Finally, the proposed five (5) additional factors indicative of responsible supervision and control regarding “responsiveness,” “communications” and “timeliness” are largely subjective requirements and decrease a broker’s certainty in adopting and executing the necessary processes and procedures to meet the responsible supervision and control standard.

#### §111.32 Force Multipliers

**FCBF Statement:** We are not in favor of the proposed change to §111.32, which essentially enacts brokers as “force multipliers” of CBP. CBP does not have the authority to deputize customs brokers as an extension of law enforcement. From the Federal Register Notice:

**FCBF Comments:** The proposed new requirement puts an affirmative duty on the broker to document and report to CBP when the broker terminates representation of a client as a result of determining that the client is attempting to defraud or otherwise commit any criminal act against the U.S. Government. This requirement covers situations where a broker advises the client of a noncompliance, error, or omission, the client directs the broker to continue such noncompliance, error, or omission, and in response the broker terminates its relationship with the client. The proposed changes will allow brokers to act

as “force multipliers” in combating fraud and other schemes against the government. The proposed regulation is quoted with FCFB emphasis in bold type:

**111.32** A broker must not file or procure or assist in the filing of any claim, or of any document, affidavit, or other papers, known by such broker to be false. In addition, a broker must not give, or solicit or procure the giving of, any information or testimony that the broker knew or **should have known** was false or misleading in any matter pending before the Department of Homeland Security or to any representative of the Department of Homeland Security. A broker also must **document and report** to CBP when the broker separates from or cancels representation of client as a result of determining the client is intentionally attempting to use the broker to defraud or otherwise commit any criminal act against the U.S. Government.

**FCBF Comments:** A broker has a fiduciary responsibility to protect the interest of their client, just as they should ensure transactions are compliant with US regulations. The term “should have known” is a potentially restrictive term and very arbitrary as it applies in a very broad sense to any “any matter” pending before DHS or a representative of DHS. Further, requiring a broker to “document and report” upon separation or cancellation can put the broker at risk for civil action and transitions the broker into “policing” the import community, which is clearly not the role of a customs broker. This change requires the customs broker to act more than just a “force multiplier,” to enhance compliance but in a role that would then equate and elevate the responsibility of the broker to that of an enforcement arm of CBP. This is not the role of a customs broker. Should customs brokers now be responsible for discerning an importer’s intent in assessing whether they meant to conduct a fraudulent or criminal act? Further clarification is also needed to determine the implications of a customs broker making an erroneous claim in reporting an importer-client inevitably found not to have conducted a fraudulent or criminal act. According to the terms of the power of attorney and the regulations set forth in 19 CFR 141, Subpart C, §§ .31-.46, the customs broker’s responsibility lies with its importer-client consistent with the customs laws and regulations. To the contrary, per 19 U.S.C. §1641(f), CBP shoulders the primary duty to protect the revenue and enforce the customs laws.

#### **111.39 Advice to Client:**

**FCBF Statement:** As with previous comments above, we are **not in favor** of this proposed change due to a charge to the customs broker to become an enforcer, going far beyond the legal responsibilities of the broker. The proposed provision provides:

**111.39 Advice to client.** (a) Withheld or false information. A broker must not withhold information relative to any customs business from a client who is entitled to the information. The broker must not knowingly impart to a client false information relative to any customs business.

(b) **Due diligence.** A broker must exercise due diligence to ascertain the correctness of any information which the broker imparts to a client, including advice to the client on the proper payment of any duty, tax, or other debt or obligation owing to the U.S. Government.

(c) The broker must advise the client on the proper corrective actions required and retain a \*record of the broker’s communication with the client in accordance with §111.23 of this part. (\*Records means documents, data and information referred to in, and required to be made or maintained under, this part and any other records, as defined in §163.1(a) of this chapter, that are required to be maintained by a broker under part 163 of this chapter.

**FCBF Comments:** Our concern is with item (c) corrective action and the required retention of these records. This action crosses the line from “enhances to enforces” and surpasses authority, responsibility and liability of a broker, in particular because it does not clarify what type of “record” is necessary. Customs brokers readily correct information prior to or post entry to reflect proper actions taken, but our concern lies with the consequences of potentially requiring the broker to maintain a record that could be used for an investigation or proceeding against the interests of the broker or their importer-client.

**Summary:** In summary, the members of the FCBF feel strongly that the role of the customs broker should remain clearly defined as a fiduciary to its clients and should not be expected to enforce the code of law. The idea of obligating a customs broker to a certain level of reporting suspected fraudulent or criminal activity from a client-importer, in particular, extends far beyond the statutory constructs of 19 U.S.C. §1641 and even what attorneys are required to do in representing their own clients. We appreciate the opportunity to comment on such impactful legislation in the Modernization of Customs Brokers Regulations and remain available to you should any questions arise .

#### **About the Florida Customs Brokers & Forwarders Association FCBF**

Florida Customs Brokers & Forwarders Association, FCBF, represents more than 400 customs brokers, freight forwarders, and other trade professionals throughout the state of Florida. FCFB is the leading trade association for industry professionals in the import and export community, representing Florida trade since 1960.

#### **About Megan Conyers**

Megan Conyers serves as FCBF Executive Vice President, charged with leading and solidifying the values provided to its membership through education, advocacy, and networking.



**NOTE:** For additional information, please visit: <https://ww2.fcbf.com>



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# Mergers and Acquisitions

## Stakeholders Consider Strengthening Their Positions

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### Mergers and Acquisitions in the Logistics and Transportation Sector

One effect of the COVID-19 pandemic is the renewed need for transportation providers to consider strengthening operating platforms by expanding into new markets, integrating new offerings or adjacent services, or growing the enterprise footprint by partnering with other companies in the industry.

In times like these, when competition is tough and demand is unpredictable, the path forward for all businesses includes achieving competitive advantage and market differentiation to grow enterprise value. Conquering those objectives often takes the form of a merger with, or acquisition of, a potential business partner.

The net effect of any such strategic combination is often a company that is stronger, both operationally and financially, and more valuable than what the two previously separate enterprises could have achieved independently.

### Mergers

The terms “mergers” and “acquisitions” are often used interchangeably, but in reality they represent two different types of transactions. In a merger, two firms choose to move forward as a single entity, and the corporate form of one or sometimes both of the pre-merger companies is abandoned as one of the entities is merged into the other, or both are merged into one corporate form.

In a merger, the equity interests of the non-surviving company (or companies) are cancelled, and equity in the surviving company is issued to the former owners. Moreover, in a merger transaction, the parties’

respective boards and management teams will collaborate to determine how to operate the new company in tandem. Mergers can be the best strategy where the potential business partners’ strengths and weaknesses complement each other such that when combined, the entities can more effectively compete in the market with greater combined strength.

In certain circumstances, mergers are also beneficial from a tax perspective. If one firm has a strategic advantage in the market yet is suffering substantial losses for the year, another firm may benefit from merging with it to absorb that advantage while gaining the ability to use those losses to offset its own profits. This can provide large financial benefits, but only if the financial forecast indicates future profits despite the current year’s losses.

Pitfalls to mergers can occur when the post-merger management teams disagree on strategy, when key due diligence items are overlooked, or when forecasted financial targets are not achieved. Companies considering a merger should consult with both their financial and tax advisors and legal counsel to consider the appropriateness of a given structure and all of the business, financial and legal implications of the transaction.

### Acquisitions

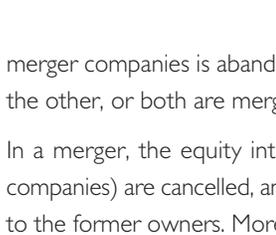
When a company needs to strengthen its portfolio, it can add specific skill sets, introduce new product lines, or increase its market share. One management tool to consider is acquiring a pre-qualified company that possesses these attributes.

Acquisitions are comprised of two separate strategies: equity acquisitions and asset acquisitions. In an acquisition, one of firm buys all of the equity or all or substantially all of the assets of another firm (the “target”), and the target firm often becomes a subsidiary of the buyer, although, in asset sales, the buyer may simply acquire the assets outright without forming a subsidiary to hold them. In an acquisition, the buyer typically does not alter its own management or legal structure; but, frequently, the buyer will retain some or all of the management of the target firm to assist in both the transition and the ongoing operation of the target.

In an equity sale, the target company’s corporate existence continues on, un-interrupted except for change in ownership, which comes with its own advantages and pitfalls. One advantage is that in certain situa-



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tions, the buyer may be able to avoid paying transfer taxes on the business assets (such as real estate), because while the ownership of the company changes, the ownership of the real estate does not change and, accordingly, the real estate is never “transferred.” Another benefit to equity sales occurs when the target has material agreements such as customer contracts or intellectual property licenses that may require the consent of the counter-party to assign, or key business permits or licenses that are difficult to assign or obtain.

In an equity sale, the target company frequently maintains such contracts while ownership is transferred, whereas in an asset sale, those contracts would typically require the consent of a third party to be assigned. A careful review to confirm that key business contracts and licenses will remain in place post-closing is a critical due diligence step in any acquisition.

The main pitfall of an equity purchase results from the fact that the buyer is acquiring the entirety of the target—meaning all of its assets and liabilities, both the good and the bad. If the target company was involved in litigation or high-risk practices that might otherwise lead to future liabilities, those risks cannot be avoided. When the buyer owns the equity of the target company, it owns all of the assets and all of the liabilities. However, buyers can, and in the ordinary course always do, attempt to mitigate their risks by negotiating indemnification rights against the seller whereby the seller agrees to be responsible for some or all of certain risks or identified liabilities. Moreover, the seller’s indemnification obligations are generally secured, at least in part, by placing a portion of the purchase price into an escrow for a specified period of time. In many transactions, the parties choose to insure some portion of the seller’s indemnification obligations through the use of a representations and warranties insurance policy.

The main pitfall of an equity transaction (i.e., taking on all of the target’s liabilities) can often be avoided by structuring the transaction as an asset purchase. In an asset purchase transaction, the buyer can choose which specific assets of the target company it wishes to purchase, including, for example, just one segment of the seller’s business. One of the principal benefits of an asset sale is that the buyer typically assumes only specified liabilities and, accordingly, is able to leave harmful relationships, uncollectible accounts, and litigation behind with the seller. An asset sale might also be beneficial where a minority shareholder does not want to sell its shares, but otherwise would be outvoted in a sale of assets. While there are still risks associated with an asset sale, such as successor liability, the asset sale structure is generally the best option from the buyer’s perspective in terms of isolating those liabilities that the buyer would like to leave with the seller.

Asset purchases can also provide certain tax advantages that may not be present in an equity transaction. One of those advantages is that the buyer achieves a “step-up” in basis for the assets, where the purchased assets are worth more on the books of the buyer than in the

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hands of the target company. This leads to increased tax deductions for depreciation of those same assets. In addition, the buyer also has the ability to amortize goodwill. “Goodwill” is the value the buyer paid for the assets above and beyond the value of the tangible assets. This value can be amortized over 15 years for tax purposes.

As with any merger, there are tax and other structuring considerations that are important to both the buyer and the seller in any acquisition transaction. Consultation with tax, accounting and legal advisors early in the process is an important part of any well-planned M&A transaction.

Whether it be a merger, asset purchase, or equity purchase, if you have identified a target company that fits into your business portfolio, experienced professional advisors will be able to assist you in properly structuring and executing on the transaction so that when the deal closes, you can focus on running your business.

#### **Transportation Industry Considerations**

Not all mergers or acquisitions are alike. Completing a transaction in the transportation industry involves unique risks and complications that require close attention and experience. The degree of regulation that transportation providers experience, their varied and complex operating models, the need to update regulators before or after certain changes, and the sometimes hidden risks associated with services that impact public safety are all factors contributing to the complexity of deals in the transportation space.

Transportation and logistics providers are heavily regulated both in the interest of public safety and also due to the utility-like nature of their services. A host of government agencies have jurisdiction depending upon the mode, cargoes, nature of commerce, and location of performance. In the United States those agencies include the Transportation Security Administration (TSA) for air service providers, the Federal Maritime Commission (FMC) for ocean service providers, and the Federal Motor Carrier Safety Administration (FMCSA) for motor carriage and logistics providers. Each individual state of operation may also have jurisdiction and applicable requirements depending upon the character of the business. Other federal and state agencies may have additional oversight over commodity-specific operations such as the carriage of hazardous materials, alcohol, or dairy products.

Regulatory requirements are critical to consider when determining the optimal structure for a prospective deal. For example, the technical requirements imposed by a particular agency may significantly limit the “portability” of any licenses, permits, or operating authorities required to conduct business. Those limitations may merely amount to updating file records although certain operations can require disclosure of changes in ownership while others have the effect of prohibiting conveyance of licenses to third parties. In practice this means that certain mergers and asset transactions may be cumbersome if not unrealistic to achieve. It can also necessitate extending timelines for closing a transaction to accommodate filings and approvals as well as certain post-close filings with regulators.

Industry operating structures can also shape deals in the transportation space. Many segments of the transportation industry operate through agency and independent contractor relationships that challenge consolidation and portability. A target built on an agency model, or one that relies heavily upon independent contractors, is often complex in its customer relationships and service delivery due to the integral role of those third parties in the company’s business. For example, the third party relationship can be subject to regulation requiring documentation and oversight in a particular manner. An experienced eye is required to understand legal and commercial risk inherent in those legacy operating models, the documentation in support of those models, and any pragmatic forward-looking risk associated with changes to those models. Otherwise, customary changes such as consolidating operations or updating customer relationships can become a challenge regardless of any risk associated with the historic operation.

Accomplishing deals in the transportation and logistics space can be a challenge in and of itself once the target and desired structure are determined. Conducting due diligence of transportation licensure, operating structures, and realized or potential legal exposure is an exercise that goes beyond merely “checking the box” when the right to lawfully conduct business and the lives of the general public are on the line. The heightened stakes for this sector can yield very real impacts on valuations and even the viability of deals. It is not uncommon to identify

areas of exposure where regulatory, commercial, or safety risks arise requiring attention immediately prior to or following the closing. Beyond commercial negotiation and operational best practices, the need to engage with one’s regulators before or after closing a transaction can necessitate the navigation of bureaucratic structures and notice or approval processes in order to secure the right to complete the deal and conduct business.

### Setting the Course for Opportunity

The transportation and logistics industry contains a well-documented history of mergers and acquisitions. The impacts of COVID have not changed that trend. The industry remains both highly fragmented and ripe for innovation. Opportunities for financial and strategic buyers to complete deals that make sense and carry great potential still exist to be found and swiftly accomplished despite the challenges for the industry and businesses generally at this time in world history. For strategic buyers in particular, the possibility of deals with “game changing” effects for operating models and service portfolios may grow following this adjustment in traffic flows and customer expectations. The choice of an appropriate structure for accomplishing those deals, maximizing potential, and minimizing risk is always essential for laying a strong foundation to build upon post-close. The selection of legal counsel and other professional advisors well versed in the space, its players, and its operations, can go a long way toward achieving the desired goals and objectives by making the right choices along the way.

### About the Authors

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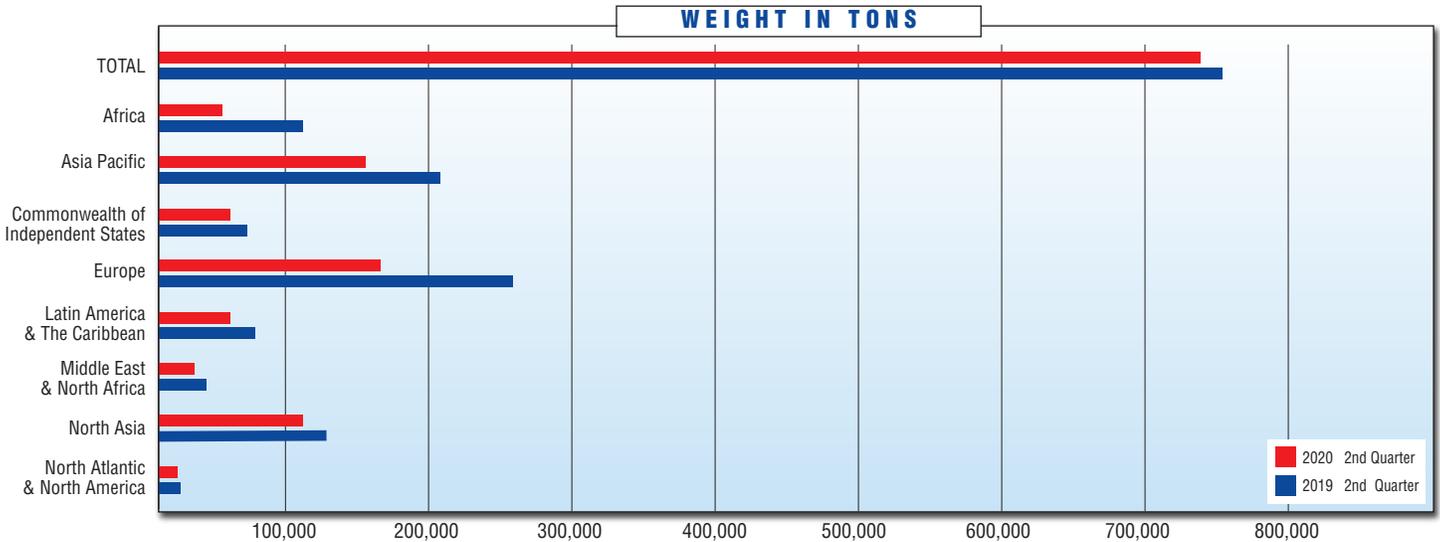
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**NOTE:** For additional information, please visit: <https://www.beneschlaw.com>

# CNS > CASS-USA Market Monitor

CASS-USA Market Monitor appears in every issue of CNS Air Cargo Focus Magazine. The Market Monitor is designed to provide an overview of the most recent quarter metrics. It highlights both the year-to-date activity and monthly air cargo traffic originating from the United States as processed by CNS CASS-USA. Additional detailed reports are available to CASS-USA Participating Carriers and CNS Endorsed Agents.



2020 Weight in Tons		2019 Weight in Tons		2020/2019	
Region	2nd Quarter	Region	2nd Quarter	Region	2nd Quarter
Africa	5,741	Africa	12,077	Africa	-52.5%
Asia Pacific	161,490	Asia Pacific	205,960	Asia Pacific	-21.6%
Commonwealth of Indep States	6,250	Commonwealth of Indep States	7,047	Commonwealth of Indep States	-11.3%
Europe	173,253	Europe	265,178	Europe	-34.7%
Latin America & The Caribbean	61,431	Latin America & The Caribbean	77,528	Latin America & The Caribbean	-20.8%
Middle East & North Africa	28,309	Middle East & North Africa	41,901	Middle East & North Africa	-32.4%
North Asia	111,464	North Asia	130,228	North Asia	-14.4%
North Atlantic & North America	1,730	North Atlantic & North America	2,416	North Atlantic & North America	-28.4%
<b>Total</b>	<b>549,667</b>	<b>Total</b>	<b>742,335</b>	<b>Total</b>	<b>-26.0%</b>

2020 Shipment Count		2019 Shipment Count		2020/2019	
Region	2nd Quarter	Region	2nd Quarter	Region	2nd Quarter
Africa	8,968	Africa	21,164	Africa	-57.6%
Asia Pacific	134,484	Asia Pacific	203,330	Asia Pacific	-33.9%
Commonwealth of Indep States	9,444	Commonwealth of Indep States	15,423	Commonwealth of Indep States	-38.8%
Europe	136,259	Europe	241,048	Europe	-43.5%
Latin America & The Caribbean	47,288	Latin America & The Caribbean	76,809	Latin America & The Caribbean	-40.4%
Middle East & North Africa	26,866	Middle East & North Africa	45,527	Middle East & North Africa	-41.0%
North Asia	90,484	North Asia	131,164	North Asia	-31.0%
North Atlantic & North America	3,363	North Atlantic & North America	8,173	North Atlantic & North America	-58.9%
<b>Total</b>	<b>457,156</b>	<b>Total</b>	<b>745,157</b>	<b>Total</b>	<b>-38.6%</b>

## JUNE 2020

In June, US export revenue increased to 8.5% y/y, showing an increase compared 2.4% in May and 13.4% March. Yields were reported to decrease 35.6% y/y in June, compared to 45% in May and 54.6% in April.

US Tonnage to Asia Pacific decreased -22.1% y/y versus -28.0% in May and -27% in April. Export tonnage to Europe (33.6% of the

market) June decreased -30.1% y/y compared to a -37.7% in February and -36.10% for January.

Overall results for Second quarter statistics reflected 7.9% increase in revenue, -26% a decrease in tonnage with a 45.1% increase in yield.





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