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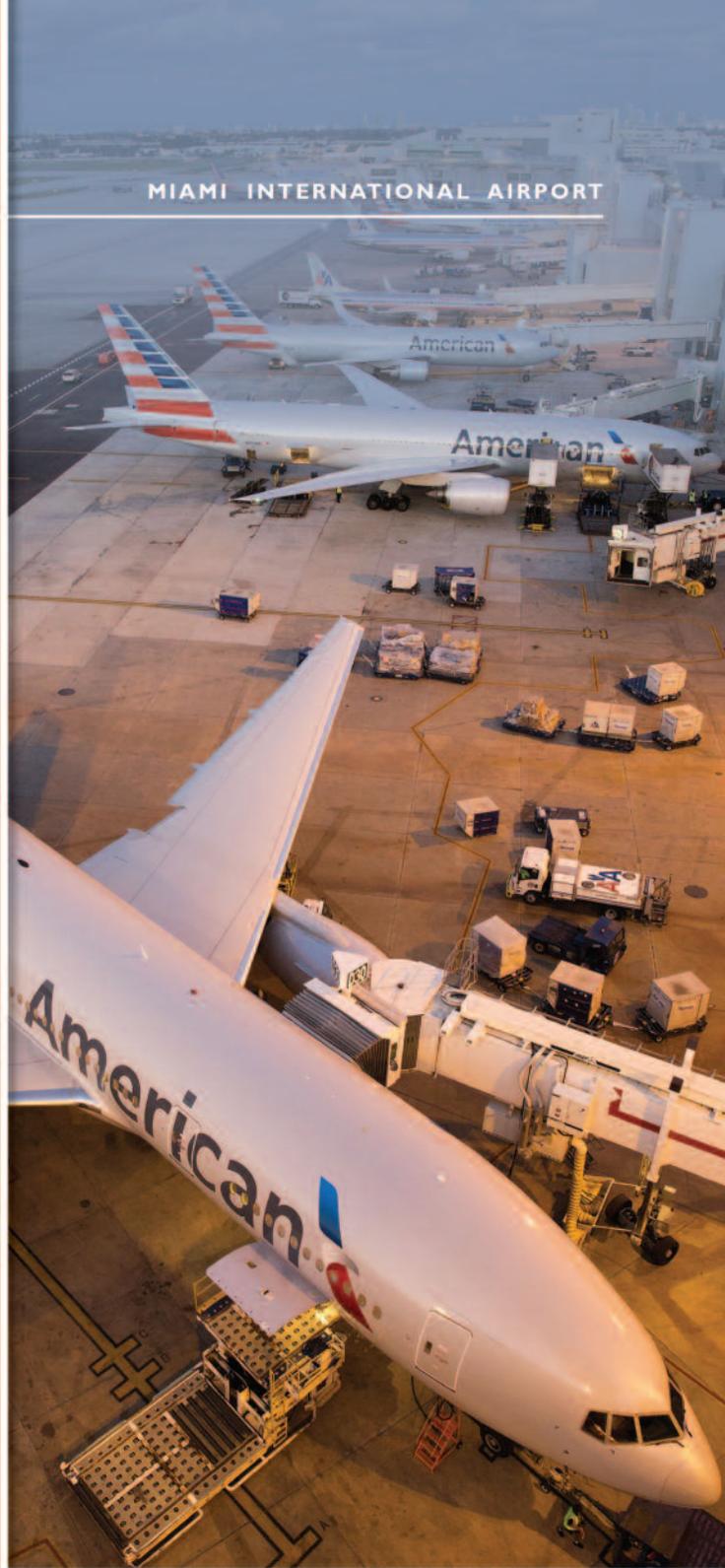
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Combating the Pandemic

Air Cargo's Finest Hour



Michael R. White

Since CNS Air Cargo FOCUS winter edition, we have seen our industry change dramatically, with numbers of flights similar to those from the 1950s.

On the passenger side, TSA screened less than 100,000 people in one day. Normally, the TSA screens more than 2 million passengers daily. At the time of this writing, the number of permanently grounded aircraft will be about 20% less than aircraft flying in January, and will be reduced even more in the coming weeks.

During World War II, the US aviation industry faced a different issue. America's small airline industry had been in business for less than twenty years. Airline representatives were called into President Franklin Roosevelt's office, where General Hap Arnold told representatives that commercial aircraft would be used for military logistics and troop transport. By this time, many aircraft were already assumed by the government and pressed into military service.

To keep America flying, Air Transport Association's (ATA) primary members, Pan American World Airways, Eastern Air Lines, American Airlines and United Airlines established a plan. Executives were concerned about government control. Airline representatives proposed a plan to ensure that passengers could keep flying while providing needed aircraft to the government. Their plan, still in use today, is known as the Civilian Reserve Air Fleet (CRAF). It allows airlines to commit aircraft in states of emergency for military use. Some people question whether CRAF should be implemented in the COVID-19 war.

Today we fight a different war. You may have been touched personally by either a loved one, colleague or someone that has been infected with COVID-19.

This global war crosses all borders and regions. To fight its effects, today's fleet of air cargo aircraft keep many things running that we take for granted.

These past weeks, I have been working to ensure that our global fleet of freighters and cargo-carrying passenger aircraft continue to fly.

We face rarely considered issues and work in an expedited manner on details that change daily. Industry concerns, such as PPEs, viral screening and testing location sites, are some of the challenges facing workers in the air and on the ground.

Governments around the world are updating testing processes. In China, each province has its own guidelines for how testing will be done. Some use throat or nasal swabs. If crew members contract the virus while in China, they are sent to a hospital. If they have been in contact with an infected person, they go to a designated hotel for quarantine. China is just one location in a global challenge facing all flight crews.

For added safety while on the ground, pilots and crew remain in the aircraft and depart as soon as possible.

Ground handlers, cargo agents and airport workers are also challenged. In hot zones, like New York's JFK airport, workers continue their important role of handling and processing vital equipment needed by medical staff fighting the COVID-19 war.

Our supply chain workers are heroes. Their dedication to keep critical supplies moving to their final destinations will not be forgotten.

Recently, I was involved with a company that needed help moving electronics. This cargo was much more than the latest flat screen TV or mobile device; these were electronic parts that keep our global communication systems going.

Most of us rely on the internet, video streaming and online communications. Without these tools, working from home, talking with loved ones, or staying connected by video with doctors, would not be an option.

During the course of a normal day, we seldom think about electronics for our interconnected lifestyle. We rarely give a second thought to the replacement parts, circuits and components needed to maintain our devices or the digital equipment that powers server farms and network data centers. Air cargo connects IT to almost every aspect of our modern life.

Much needed medical equipment is transported by air cargo. The freighter network that carries 40% of all air cargo, is now doing double duty. To carry the immense loads of global medical supplies, freighter crews are maximizing the schedules of the 1,700 freighter transport aircraft.

Passenger airlines are converting to cargo-only aircraft. First-class passenger seats now hold PPEs and medical equipment needed to save lives of those stricken by the coronavirus. We employ new safety guidelines for passenger aircraft seat-cargo to ensure it is restrained correctly, its weights and balances are evenly distributed and freight descriptions are properly documented.

CNS and IATA are writing standards for controlling cabin fires in spaces



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not equipped with the standard fire suppression systems found in belly cargo compartments.

This is new territory for manufacturers and aviation authorities that certify airline equipment. CNS and IATA work with FAA on guidance to ensure that cargo safety concerns are met during capacity shortages.

As our country wages this pandemic war, the importance of air cargo becomes more apparent. In our shining hour, I see heroes who make our industry work and keep aircraft flying with life-saving cargo. Without them, things could be so much worse.

The pandemic spawned a second insidious battle that ravages the lifeblood of American business. The outcome of this war will determine America's economic survival. Businesses at risk are susceptible to bankruptcy and job losses. The airlines financial health and the air cargo industry are impenetrably linked. Air cargo is one part of America's GNP and its economic health is vital to our survival.

In an effort to combat the coronavirus' economic toll, the Stimulus Bill package included issuing Americans checks, expanding unemployment and extending businesses loans. Our complex economy is important.

According to Bloomberg research, the bulk of the \$2 trillion in US Rescue Funds from the US Senate, Committee for a Responsible Federal Budget, includes \$290B in direct family payments, \$532B to big business loans, \$377B to small businesses, \$61B to airlines, \$260B to

unemployment insurance expansion, \$290B to tax cuts, \$150B to state stimulus funds, and \$385B to other social programs.

The Stimulus Bill is meant to stabilize an airline industry impacted by travel restrictions and fear of an impending global recession. The PPP government loan program is designed to help small businesses. The Federal Reserve pledged to backstop SBA's emergency loan program with a \$600 billion lending program for midsize businesses in an effort to help thousands of additional firms. Banks and lenders are working through thousands of loan applications and government rules. There may be more financial stimulus in the pipeline.

At this point, we must trust the sincerity of elected officials working on our behalf. This is a rare position for Americans, considering our independent nature. Our country is resilient and will survive.

We are in this together and will be even more united when the pandemic ends. Stay well my friends. We are Air Cargo Strong!

Michael R. White
President, CNS



NOTE: For additional information, please visit CNS: <http://www.cns.net>

Transitional Challenges

Building a Single Host Platform



Robert Louis Christensen

Physicists would describe our supply chain as anisotropic – having different physical properties moving in different directions. Most air cargo does not utilize an all-inclusive dedicated cargo system as employed by our courier carrier partners. The time has come to implement a single host platform for forwarders, shippers and customers.

Revolutionary? I think not. The global supply chain begins with the manufacturer's product data, not with a customer's request for goods.

An organization responsible for inputting and controlling this cargo data must also be established.

Creating this new system requires writing universal cargo description codes with the ability to be updated as needed. This would ensure that manufacturers and forwarders have reliable, accurate information. Each product or part would carry a QR code with essential logistics information to clear Customs and multi-government requirements. The codes would identify product, manufacturer, materials, country of origin, special handling, hazardous material, etc. Additional bar codes with data-restoration capabilities would track cargo, carrier, check points, freight conditions and so forth.

The cargo platform would have information-reporting speeds equal to Google and Amazon. From a single repository the collective data could be accessed by supply-chain stakeholders. Each transaction would be tracked in real time. All changes would report to a single site with the technical capacity to update cargo issues while in route.

When money is involved, security and privacy are paramount. Orders, fees and payments should exemplify Bitcoin's blockchain accuracy. Initially, cryptographic digital assets were not recognized. Since Bitcoin's inception, its acceptance has grown to become a NYSE asset listing.

All cargo is as global as its participating stakeholders. Each entity has its own national currency that must be consolidated into one single repository. The storing of financial and other data necessitates maintaining new levels of industry transparency.

Trusting in an organization may be harder than developing technology. Our industry's new customers will come from thousands of small to medium-sized merchants.

Today's customer uses an Amazon model for their expedited deliveries payment. The aforementioned organization is worth emulating when considering the design of a system platform. The importance of a single-data center cannot be overstated.

5G infrastructure will be a critical communications component, but requires our industry to petition government representatives for platform funding approvals. The goal is to create a single online messaging service for logistics stakeholders.

Most of the technical support is now available. Today, Google, Microsoft and other supercomputers are solving complex processing issues, such as mega data-crunching and data-dissemination. For big data analytics, Palantir Technologies, used by Morgan Stanley, Merck KGaA, Airbus, and Fiat Chrysler, offers a solution.

Support your local forwarding and customs brokers association. Open a discussion on creating a universal data depository for the logistics' industry. If necessary, join an international organization. This will place you and your company in the position to become an integral part of local and international data-collection discussions.

In the meantime, stay competitive. Use a combination of traditional relationships and smart networking solutions to build clients and partners. Employ current tools. Strategize and plan for future opportunities. Every stakeholder counts.

This column was written prior to the coronavirus pandemic that froze our country's economy.

Veterans and survivors offer a unique perspective during these trying times. For those affected by this deadly contagion, my thoughts are with you and your families. All the best,

Robert Louis Christensen
Editor in Chief



NOTE: To contact the author, please email robert@airliners.tv

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. The Spring 2020 eBook edition of this publication is available online at www.cnsc.net

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From the Top

Adam Rod, Assistant Commissioner of Planning Chicago Department of Aviation

Interview by Robert Christensen and Kathy Belmont



Adam Rod

About Adam Rod

Adam Rod is the Assistant Commissioner of Planning at the Chicago Department of Aviation (CDA), which owns and operates O'Hare and Midway International Airports. He is also the current Chair of the Air Cargo Committee for Airports Council International-North America (ACI-NA), the world's largest airport association. Rod has been with the CDA since 2000, and his many responsibilities range from managing new projects to advising various stakeholders to overseeing cargo affairs. He has gained an international reputation with numerous affiliations including ACI-NA, AAAE, CMAP, OECD, USDOC and USGBC. He enjoys exploring issues and sharing experiences with the aviation and transportation industries whenever he can.

Although he has had a special love for big airports since his youth, his professional background covers broader topics such as urban studies and economics, including a degree in geography from the University

of Chicago. Prior to his post at the CDA, Rod was an aide to Chicago Mayor Richard M. Daley and before that, a corporate real estate manager. He and his wife, Renee, reside in downtown Chicago.

Focus: What features attract airlines and consolidators to O'Hare and Midway airports?

Rod: First, I like how you say O'Hare and Midway in the same breath, even on the subject of air cargo. The City of Chicago proudly owns and operates both major airports. O'Hare is the global super hub, Midway does not always get the attention it deserves as our second great Chicago gateway. That being said, when it comes to air cargo, O'Hare is the base of our city's air cargo operations.

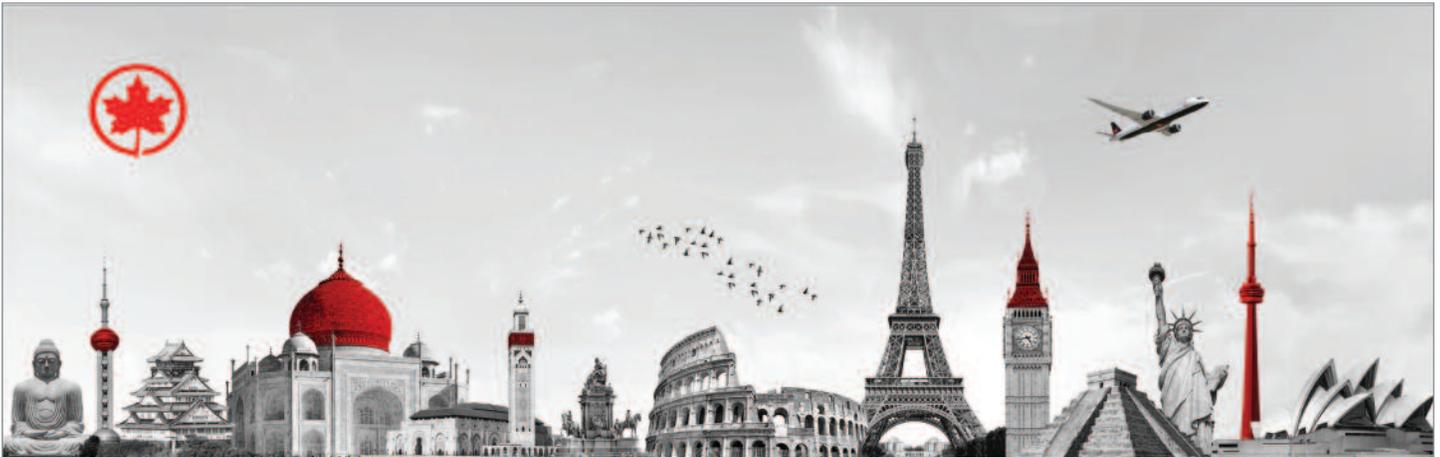
O'Hare was conceived for the widebody jet age, Midway was conceived as our first municipal airport with runways that cannot accommodate widebody aircraft. Midway processes a small fraction of O'Hare's freight volume, and it is all belly cargo on passenger flights, mostly Southwest Airlines.

Airlines, handlers, forwarders, and truckers want to be part of Chicago's capacity and efficiency. A truck leaving O'Hare can easily reach over one-third of the nation's population and economy within a one-day drive. No other American airport has so much ability and reach in one package.

Focus: How has Chicago airports readied its perishable freight and pharmaceutical categories?

Rod: Cool-chain readiness is very important for any great cargo airport. Our airlines and handlers also independently understand its importance. We have several temperature-controlled facilities scattered among our cargo tenants and around O'Hare's perimeter. We have long been a leader in processing pharma-related cargo, worth many billions of dollars each year. The dream has been to also increase the volume of perishable foods and flowers arriving at O'Hare. Today, O'Hare not only has better capacity and connection opportunities, but we are much closer to the marketplace where many of those perishable shipments are headed. Fumigation capability has been a lifesaver for air cargo and we are looking at a long-term site solution on the airfield this year, based on an RFP.

Focus: Do you believe infrastructure should be developed with the inputs of those whose livelihoods and success are directly affected?



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Rod: Yes, and here in Chicago, there are multiple layers of direct and indirect airport stakeholder input on everything we do. Collaboration, feedback, and processes—within the framework of prudent regulations and planning—lead to optimum benefits, efficiencies, and successes. We have regular, if not frequent, communication with a plethora of government authorities and agencies at all levels, the full spectrum of our tenants from airlines to concessionaires, and a wide variety of outside parties and interests. Any major agreement we enter involves City Hall oversight, and we procure dozens of expert consultants to assure everything we do represents best practices and actions.

Focus: How have O'Hare and Midway airports improved its record volumes of annual cargo?

Rod: In the past couple of years, we have had all-time record volumes, just under two million tonnes. We are now the number one airport in all the Americas by cargo value, processing over \$200 billion in freight last year, an amazing feat given that land and seaports process exponentially more tonnage.

We handled this growth thanks to our new state-of-the-art airside cargo campus on the northeast airfield, which opened in 2016. This development, adds more than 900,000-square-feet of facility space with 13 B747-8F positions—bringing total airside cargo capacity to

approximately two million-square-feet and over 40 positions for jumbo freighters. This is in addition to two million-square-feet of landside cargo facilities just within the boundary of O'Hare. We are seeing a significant boost in eCommerce, but I am not sure in the era of tariff wars and coronavirus that we are in position to continue breaking cargo volume records. Nevertheless, we stay focused on developing our air cargo capacity for the long-term.

Focus: Please describe the advantages afforded by O'Hare's new cargo campus on its northeast airfield.

Rod: We needed the new capacity to handle growing international freighter demand, even considering our already-established national gateway reputation. We were tested firsthand on our limits in 2015, while still finishing construction on the Northeast campus. Fortunately, the opening day of our new cargo campus was just a few months later. Based on our previous studies, we should have the capacity up to 2.5 million annual tonnes, although we anticipate approaching that capacity limit later this decade, thanks to the success of the new campus.

Focus: The "Moving Forward Framework" Infrastructure Bill, includes a Passenger Facility Charge (PFC) for airport investment.

How will this benefit Chicago's airport infrastructure?

Rod: The short answer is that I believe that more PFC funding would be beneficial to the development of O'Hare and Midway overall. Pending future PFC applications, there would likely be direct or indirect benefit to air cargo at some point. The Moving Forward Framework also targets new investment in airport development, including FAA's NextGen, and advocates initiatives for sustainable airfield operations.

Focus: Please describe ground transportation infrastructure improvements to relieve road congestion.

Rod: We work with our regional transportation agencies on a regular basis. Over the past two decades, we have completed a series of important enabling projects that will make way for new lanes and better geometrics for 21st century traffic needs, but we still must relocate two large water mains. In the meantime, last year IDOT announced funding to complete our I-190 program. If all goes well, construction of a modernized Interstate 190 will be completed by 2027.

There will also be a new Tollway interchange into O'Hare from the west in sync with our O'Hare 21 plan. However, it will not be a new passenger terminal at first, but rather is expected to be only employee access and other ancillary needs in the beginning. As demand with our airline partners necessitates, a future passenger terminal on the west could ultimately be in place by next decade. We also have been working separately with the Tollway on a new exit ramp from I-90 to O'Hare along with associated improvements for trucks entering our Northeast Cargo campus.

Focus: How does Chicago's business environment support the air cargo industry?

Rod: Chicago has had wonderful DNA for business and transportation from its inception. That support from the business community certainly holds true today, whether you are referring to private corporations, industry associations, civic groups, or government leaders charged with economic or infrastructure development.

I am very proud of the business community's constant support and being part of that prosperity for my city.

Focus: What are O'Hare and Midway's goals to support freighter, belly, and freight integrators?

Rod: Our goal is to be the nation's leading airport system, serving passengers, flights, and cargo in a convenient, comfortable, safe and efficient manner.

For air cargo, that means providing sufficient infrastructure and facilities, with room for growth, to meet the high international demand at

O'Hare year after year. On the airfreight side, whether the bellies of passenger aircraft, one of our many cargo-only airlines, or our prominent integrators, we want to make sure each airline and logistics company has the best possible facilities to utilize.

Focus: As Chairman of ACI-NA's Air Cargo Committee, how unified is the community's commitment to advancing air cargo?

Rod: I work hard and passionately at my job, including serving the air cargo industry. Similarly, both the Air Cargo Committee and ACI-NA are vigorously committed to advancing air cargo economics and best practices for our airports and associated stakeholders. The Cargo Committee works around the calendar on advancing practical information, addressing important topics, and connecting members to valuable resources, culminating in two large conferences each year. We have a Committee Steering Group leading all this work, who would welcome anyone reading this to contact us to get more involved, just a click away at ACI-NA's website – www.airportsCouncil.org

Focus: What department spearheads the development of underutilized airport areas into new cargo hubs?

Rod: My Planning office oversees our cargo affairs and is ground zero in looking at new cargo development opportunities for O'Hare.

Land use can be at a premium, even for an airport as large as O'Hare. There are extremely few "underutilized" parcels areas to speak of. In fact, within the framework of our runway configuration and O'Hare 21 program, I believe our feasible land options for the next large cargo development are limited. Planning will work closely with our other internal divisions, especially Real Estate and Design & Construction, to achieve progress.

Focus: What is your vision to create a new logistics paradigm?

Rod: Although all ports have trucks in common, an integrated rail, sea, and air model is unusual because air cargo works very differently than rail and sea cargo. We transport the elite 1% or 2% of the supply chain. Yet, that tiny critical fraction of air volume represents about one-third of world trade value. Once airfreight arrives at O'Hare, it is not connecting to slower mass railroads or ships, it is being loaded onto a truck to pinpoint arrival as fast as possible at its final destination.

Our airport mission is to continue with as much airfield capacity, operating efficiency, tenant diversity, and highway connectivity as we can to make our own air logistics paradigm better and better each year.

Focus: What education and vocational programs does the Chicago Department of Aviation support?

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Rod: Great question, as our common success starts with accessible education! I believe education and vocational training are a crucial part of supporting a successful air cargo story, sustaining stable careers, and the City of Chicago has a history of directly putting its money where its mouth is on this front.

There are aviation-related college programs available in the Chicago area, from the very accessible City Colleges of Chicago to the nationally known Lewis University, complete with its own on-campus regional airport. In addition, in past years, the City of Chicago has been directly associated with implementing specialized P3 programs aimed at providing training resources and classes in transportation, distribution, and logistics, knowing the impact this can have on supporting jobs and economic growth for our city.

About the Chicago Department of Aviation

Chicago Department of Aviation (CDA) is one of the world's busiest airport systems, comprised of O'Hare International Airport (ORD) and Chicago Midway International Airport (MDW). The CDA serves more than 100 million passengers each year and as a global leader for air cargo activity. Chicago's airports are also among the most connected in the world, serving more than 260 locations via 50 different commercial carriers to 46 countries worldwide.

To understand CDA's present-day airport activity, you need to know Chicago's history. In the nineteenth century, Chicago was for decades the fastest growing city in the world due to a combination of central national geography, swift transportation development, a strong entrepreneurial spirit and a business climate that still defines Chicago today.

The city started as an inland maritime port connecting the Great Lakes to the Mississippi River. By the end of the nineteenth century it was, and remains, the nation's predominant railroad center.

When it was clear that a larger airport than Midway was needed to better handle the capacity of the jet age, Mayor Richard J. Daley built what is today O'Hare. Chicago has never stopped developing and improving both airports ever since.



NOTE: For additional information, please visit:
<https://www.chicago.gov/city/en/depts/doa.html>

From the Top

Ian Morgan, Vice President Cargo the Americas

Qatar Airways Cargo

Interview by Robert Christensen and Kathy Belmont



Ian Morgan

About Ian Morgan

Ian Morgan has called the airfreight industry his home for more than 41 years, working during that period for freight forwarders, ground handling agents and airlines in the United Kingdom, the Middle East, Africa, and the US.

This breadth of experience has given him a strong perspective on the industry. He has a keen empathy and passion, for giving back to the industry that has given him an extensive career and invaluable life experiences, including forming and maintaining valuable, lifelong friendships with many in the industry.

Morgan lives in Miami, Florida with his wife, who also works within the industry. Away from work, his interests extend to cooking and bike riding. He remains strongly committed to extending opportunities to all who look to work in this dynamic industry.

Focus: 2020's newest eponymous term "the Morgan path" applies to any person who enters a career by chance, succeeds and never looks back. How has this approach served you, and what would you say to someone entering this industry from the ground level?

Morgan: I mentioned in a previous interview that airfreight and cargo were never the plan. I thought I would enter the hospitality industry. (Maybe I still did?) I was fortunate to have been presented with an opportunity as a 16-year-old youth coming from a lower middle-class background, in a town just outside Gatwick Airport. At the time, I was not aware of what I was being offered. I just considered it a job, an income and a way to survive. Little did I know I was entering the world of airfreight and quite literally the world.

Within my first few days, I was communicating with multiple countries. I was exposed to so many acronyms that initially I became completely overwhelmed. However, as I learned this new language and worked with the incredible people of the airfreight industry, I started to understand and appreciate the opportunity I had been given – one that I wanted to experience more of.

Focus: Today, it is harder for young people without certification or a degree to enter our workforce. Are we overlooking people who could become industry contributors in their formative years?

Morgan: Qatar Airways Cargo's goal is to attract global talent and join our QTalent program. This world-class graduate development experience ensures that graduates will gain a well-rounded cargo business and leadership experience, to set them up for success as future Qatar Airways leaders. The program provides multiple opportunities and exposure through rotations and projects within the core areas of the cargo business such as operations, sales and network planning, revenue management, pricing and others. I discussed this on CNS Partnership Panels and with many industry professionals. We are an amazing industry that values individuals for who they are, what they can bring and whether they have experience or not. How we attract those individuals is a key part of our collective responsibility.

Individuals such as Jose Ubeda, Senior Vice President, Global Air, Expeditors, work with groups promoting opportunities for future industry contributors. Please visit this website for more information <https://web.expeditors.com/opportunity-knocks/>.

These contributors are being overlooked through circumstances that are not always in their control. We can and should do better to attract individuals, who have no knowledge of this industry, but can bring great



Qatar Airways Cargo delivers freight to over 160 key businesses and leisure destinations. Qatar Airways Cargo utilizes a dedicated freighter fleet of Boeing 747-8s, Boeing 777s, and Airbus A330 freighters, together with Qatar Airways' passenger fleet. Photo courtesy Qatar Airways Cargo.

value, fresh ideas and perspectives. The organizational benefits of diversity are increasingly well-documented, especially when it comes to innovation. However, there still needs to be more progress in not just how we attract high school talent, but how we, as an industry, make ourselves attractive to high school students. I clearly remember my roots and the opportunity I was given, and to this day I review every candidate on their overall merits, not just their education.

Aptitude and attitude are the key traits I look for. Have we reached peak value in terms of scientific skills? Does AI and machine learning mean that mathematical and engineering skills will become less valuable? How do we measure emotional intelligence or skills that we learn in the streets and not in the classroom? When, will and should intrinsic values be equally considered?

Focus: This is an industry question. According to the US Bureau of Transportation Statistics, 6% of all human organs transported will fail to reach its recipient in time. The problem reflects issues throughout the supply chain and complexities of just-in-time service. How might our industry better address special needs transportation issues?

Morgan: The transportation of human organs is a very sensitive and complex logistic process that faces big industry challenges. Those challenges can be partly summarized in capacity availability, transportation distance, safety and costs. Smaller airports with reduced operating hours could pose a challenge to organs transportation if those flights happen late at night or very early in the morning. Long distance transportation can also be a risk factor due to the need of hiring private

flights, increasing costs and complexity. Due to the previous challenges, safety can become relevant when the chosen suppliers do not meet the highest safety records. Route availability is another issue for those who normally do not operate to/from specific airports. The cost of the transportation of human organs can be quite high depending on the modes of transportation available and required. The urgency will be also determined by the type of organ and its Cold Ischemia Time (CIT), which can range from 5 hours for a heart to 36 hours for a kidney. Organ trafficking is also a main concern where long waitlists and cultural beliefs play a role in the process. Wealthier patients may have the temptation to procure organs on the black market from more economically depressed areas in order to obtain the transplant faster. As an airline, we cover six continents and provide a reliable service with a commitment to punctuality. This is key for any successful transportation of human organs, which must be implanted into a recipient, within an extremely limited timeframe, from a donor extraction.

Focus: Qatar Airways Cargo perishable customers depend on temperature-controlled containerization. What other practices best support and extend product life?

Morgan: As a Middle East carrier, we are acutely aware and have a key understanding of the importance of maintaining the cool chain. While the temperature-controlled containers offer excellent support of specific products. Qatar Airways Cargo also understands the absolute need to maintain the temperature of multiple products, outside of the cool containers. With our QR Fresh product, we have ensured that specific standard operating procedures are in place, as well as

service level agreements with our GHA partners and trucking companies. By working together, we maintain the requirements needed for the end customer. At the Doha hub, we eliminated outside temperature exposure completely. We employed refrigerated vehicles, dedicated pharma facilities, and IoT beacons that constantly measure and record temperature and humidity of each cool-chain shipment. GPS truck tracking, staging pre-cooled cargo on stands before its flight arrival, maintaining air curtains on dock doors, and training expert personnel are examples of our commitment. Qatar Airways Cargo's approach and significant investments have been key to its development and the massive increase in perishable and pharmaceutical volumes.

Focus: What forwarding skills or strengths might be useful to cargo airline executives?

Morgan: As with all things, empathy is a much-required skill needed in a manager or executive, whether it is dealing with customers, staff or business partners. Understanding your customers' needs and their customers' needs are critical. Try to remain humble enough to understand and listen to those you work with and work for. While airlines are clearly part of the logistics solution, what is key is how we interact with the other industry members connected to the vital roles played upstream and downstream in the supply chain. We are a fragmented industry (versus the integrators) and, without close cooperation, we can lose market share and the end user. Cooperation and communication will make us better and ensure that we continue to evolve.

Focus: What type of digital security protects Qatar customer's business details and contacts?



Qatar Airways Cargo's Doha hub at Hamad International Airport facilitates cargo handling and growth. Photo courtesy Qatar Airways Cargo.

Morgan: CROAMIS application is hosted on Qatar Airways' data center on-premise in Doha, Qatar. CROAMIS ensures high levels of data security and protection for customer's business details and contacts. Qatar Airways has a specialized IT Security wing and cyber infrastructure that manages the data and information security of all applications hosted by Qatar Airways. Regular audits, reviews, along with sophisticated security tools and vulnerability management processes are in place to ensure protection and compliance to processes and policies.

Focus: In 2013, Centurion Chairman Alfonso Rey declared, "Air cargo's success is based on outside forces." Mr. Rey included weather, labor, politics, capacity, fuel, regulations, and natural disasters. What has changed?

Morgan: We are a global economy, and as such are affected by multiple factors, the most recent being the novel coronavirus, and the huge impact (not just on the airlines), but every component of the global economy, and transportation industry. All of the factors mentioned by Alfonso remain as critical and impactful today as in 2013.

What has changed is our ability to adapt and react. I am fortunate to work with an incredibly nimble airline, not reflected in its cargo's \$3 billion size. Our scale and competitive cost base give us the ability to invest in a way that others cannot.

Through innovative approaches to market development, market penetration, and adaptability, we are well positioned to weather these storms (pun intended).

Focus: What ground cargo handling advancements can customers expect from Qatar Airways Cargo teams?

Morgan: We have invested heavily in having our own North America stations operational staff. These advancements are defined in both technological ways and in end-customer experiences. Our operational teams are in many ways our eyes and ears. They provide practical-based multiple insights and suggestions for customer enhancement and advancement. We receive field team reviews of how the customer experience can be improved, and where we can bring additional safety and security oversights. Qatar Airways maintains very high standards for compliance, safety and security. These areas are maintained by each member taking personal responsibility.

Focus: During your time with British Airways, the airline invested heavily in European airlines and international partnerships. Did 1994-1996 signal the end of the airline expansion era?

Morgan: One could argue that, in fact, this period was the start of a very large airline industry expansion and carriers such as ourselves and other Middle East based carriers have fueled significant growth,



Qatar Airways Cargo will continue to operate and support the movement of cargo wherever possible. The COVID-19 crisis has shifted the focus on the otherwise invisible air cargo industry, which is currently delivering pharmaceuticals, perishables and vital global cargo. Photo courtesy Qatar Airways Cargo.

expansion, collaboration, partnerships, and choice for our customers and consumers. Additionally, we continue to see evolution and growth in airline alliances such as oneworld.[®] Recently, Qatar Airways announced and increased cooperation with American Airlines. I would argue that, in fact, that we are seeing an expansion of understanding, cooperation and partnerships.

Focus: How are cargo forwarding experiences important to Qatar Airways Cargo managers involved in direct-to-customer selling?

Morgan: I believe all experiences are important, including forwarding, ground handling, trucking, general sales and service. Each experience brings an important perspective that is invaluable in assisting us to make the right decisions, serve our customers, and be a valued partner.

To address the point about diversity and how it relates to the complexity and fragmentation of the air cargo value chain, I can attest that no one person can possibly have had the time to experience all this diverse industry offers. We depend on each other. Always.

Focus: Has opening an Asia Pacific network benefitted European customers? What expansions are planned for the next two years?

Morgan: We have expanded into many markets, Osaka being one, and last year we launched our Chicago – Singapore direct freighter twice per week. This January, significant expansion took place in South America with freighters to Campinas, Santiago and Bogota. We are expanding our regional customers global footprint. Qatar Airways and

Qatar Airways Cargo offerings portfolio has been expanding over the years. It is present in more than 160 destinations including 60 freighter destinations. As our customers look to who can provide the depth and scale of the services they need to present to their customers, Qatar Airways has become a primary carrier. We believe in our program, it was created through careful consideration of where we can add value, not just capacity. This is evident in the success that each of these new destinations has delivered. We remain, as always, grateful to our customers for their support.

Focus: What advantages can customers expect by routing cargo through Qatar Airways Cargo's Doha hub?

Morgan: Qatar Airways Cargo has invested heavily in its cargo divisions and freighter acquisitions. This is in addition to our \$1 billion investment in Doha's cargo handling facility, and continued hub support to facilitate growth. The Doha Qatar Aviation Services ground handling company works in tandem with Qatar Airways Cargo, to ensure that the hub remains a world leader in terms of our transit product, special handling, customer service.

The feedback I receive reflects how well our hubs are working. We had an opportunity to build cargo from the ground up. This is clearly evident for those fortunate enough to have visited our Doha facility.

Focus: As Qatar Airways Cargo announces new destinations, do locals or expats have a chance to help build a new customer base?

Morgan: The answer is that we employ the best person for the position, including expats and locals. Over the years, we had the benefit and experience of working with expats in various regions, but we have also had local staff become expats. Success involves using everyone to help create the best customer experience. We have a responsibility to share our experiences and knowledge, in order to create the next generation of industry leaders.

Focus: Qatar Cargo's fleet includes Boeing and Airbus freighters. How critical is deploying the right aircraft for each customer?

Morgan: Utilizing the right aircraft to ensure route profitability is the best decision you can make for your customer. They rely on us to provide consistent on-time products and services. This is achieved by using the right aircraft on each route.

Focus: In a 2018 interview you told Geoffrey Arend that Qatar's representation and responsibility extends to the entire industry. Please highlight some of Qatar's cargo achievements.

Morgan: Qatar Airways safety and security oversight is leading the industry. Our cargo requirements exceed that of almost every local government. We are presently screening cargo at a level that will be required by the TSA in 2021. In addition to this, we have appointed compliance and security managers in each region, to support, foster and implement enhanced security and safety throughout our network. We walk the walk and talk the talk. Every staff member is vested in their personal responsibility to ensure we are a safe and secure airline. We mentor and support our staff and ground handling partners. We constantly review our safety and security environment. We work tirelessly to incorporate new technology and screening advancements.

Focus: Qatar Airways Cargo advocates IATA e-AWB initiatives. What needs to happen for one global standard to prevail and replace the myriad of regional restriction codes?

Morgan: We have always maintained that in a complex industry such as air cargo, where there are so many players who are part of the supply chain, digital initiatives can only be achieved by collaboration, co-creation, challenge and change.

The various players that are part of our supply chain i.e. shippers, consignees, forwarders, handlers, airlines, regulators, technology providers, CCS, etc., must be united in taking the industry forward on this digitalization journey. Solutions need to be co-created. IATA initiatives such as ONE Record, Cargo-XML, e-AWB and e-freight are examples of such industry collaborative initiatives. While on this journey, we must challenge ourselves and each other to embrace change that will bring in benefits by adopting technology.

Focus: What recommendations do you have for new hires? What goals should they set for themselves in the first three months?

Morgan: 19th century values still apply to 21st century workers. Listen and learn. Always be open to new ideas. Strive to be part of your team. Work hard and smart. Learn your craft well. Let success be a benevolent by-product of a job well done. Never be afraid to ask for help or to challenge assumptions.

Focus: How do you work through issues?

Morgan: I turned to my teams and colleagues. A problem shared is a problem halved. I learned that even in the worst market conditions, there will always be opportunities. Challenges make you think harder and smarter.

Over the decades, the Americas' have proven to be the most challenging. How we managed these markets embedded in each of us a unique ability to adapt, overcome, and ultimately succeed.

Focus: Which Qatar Airways Cargo operations will continue during the pandemic?

Morgan: We would like to assure all our customers and CNS Focus readers that our freighters will continue to operate globally as per published schedules.

Other operational challenges resulting from travel restrictions, lockdowns and bans placed by several countries, have forced us to make changes to our passenger flight schedule. This has an impact on our belly hold cargo capacity. We still operate belly-hold passenger flights, but with reduced capacity and frequencies to countries whose borders remain open. We are also rebooking all cargo on affected belly-hold flights through alternative flights in order to reduce any impact to our customers' business. Belly-hold flights will continue to operate to support the repatriation of stranded travelers and movement of cargo wherever possible. The COVID-19 crisis has shifted the focus on an otherwise invisible air cargo industry, which is currently delivering pharmaceuticals, perishables and vital global cargo. We also are supporting countries with humanitarian aid. Airfreight plays a strategic role, by serving as a lifeline for the continuity of global trade.

Focus: The industry is on standby while government agencies shift their export policies on a daily basis. What can customers expect from Qatar Airways Cargo after the trade lanes open?

Morgan: At Qatar Airways Cargo, we are monitoring the situation closely and making sure we implement the latest guidance for the safety of our passengers and freight customers. As trade lanes gradually open up, we will resume passenger flights to those destinations allowing us to use belly-hold cargo capacity. We remain in constant contact



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with our customers, updating them of the situation through email, phone, website and social media. We remain confident that together we will emerge through this crisis even stronger.

About Qatar Airways Cargo

Qatar Airways is the national airline of the State of Qatar and one of the biggest success stories in the aviation industry. Operations began in 1994, when the airline was a small regional carrier serving a handful of routes. The airline was re-launched in 1997, under the mandate of the then Emir, His Highness The Father Emir Sheikh Hamad bin Khalifa Al Thani, who outlined a vision to turn Qatar Airways into a leading international airline with the highest standards of service and excellence. Qatar Airways has since become one of the fastest growing carriers in the world with unprecedented expansion averaging double digit growth year over year. Since 1997, under the dynamic leadership of Group Chief Executive, His Excellency Mr. Akbar Al Baker, the airline has developed into an award-winning carrier. Through Mr. Al Baker's stewardship, Qatar Airways has matured into a leading force in regional and global aviation, earning countless admirers around the world for its excellent service standards.

Qatar Airways Cargo serves over 60 freighter destinations worldwide via its state-of-the-art Doha hub. By utilizing a dedicated freighter fleet of Boeing 747-8s, Boeing 777s and Airbus A330 freighters, together with Qatar Airways' passenger fleet, we can deliver freight to over

160 key business and leisure destinations on over 250 aircraft. Qatar Airways Cargo has made substantial investments in its hub operations. Our experienced staff and world-class facilities ensure that all cargo deliveries are processed efficiently and seamlessly. Skilled personnel provide expert handling over a wide variety of product categories.

Qatar Airways Cargo's portfolio of distinctive products currently includes QR Fresh, QR Pharma, QR Live, QR Charter, QR Express and QR Mail. Our products offer efficiency and compliance when handling temperature-sensitive pharmaceuticals and perishable cargo, transportation of live animals, as well as, time-critical shipments. The cargo carrier also provides QR Charter products that offer reliable and cost-effective global charter solutions through the carrier's extensive network and to destinations that are not part of the carrier's scheduled service, utilizing its fleet of Boeing and Airbus freighters.

At the forefront of our global cargo innovations, is the Doha facility at Hamad International Airport. As one of the most sophisticated cargo terminals in the industry, it is a platform for expanding global freight business, enabling Qatar Airways Cargo to provide unified, efficient services for our customers and global cargo carriers. The Doha facility continues to set new standards of service and quality.



NOTE: For additional information, please visit: <http://www.qrcargo.com/>

From the Top

Mario Tenebruso, Vice President, Air Freight - Americas JAS Worldwide

Interview by Robert Christensen and Kathy Belmont



Mario Tenebruso

About Mario Tenebruso

Mario Antonio Tenebruso is an Italian national who grew up in Munich, Germany. He is married with three children and a family dog.

Upon graduating from high school, and despite his initially having only a limited awareness of the opportunities within the freight forwarding industry, Tenebruso decided it would make for a promising career. Not knowing exactly where to start, he took a pragmatic approach by opening the yellow pages, and picking a company located nearest his home. This company turned out to be Panalpina Welttransport GmbH. Welttransport (German for “world transport”) is a word that encapsulates the focus of the industry, that is, helping customers to move their products in the most efficient, fastest, most economic and safest way around the world.

In 1993, after graduating from Panalpina’s two-year apprenticeship program, Mario launched his career in freight forwarding.

Even though Tenebruso is an airfreight person at heart, his first assignment was actually on the ocean side as an ocean import clerk. Since then he has held many positions throughout the freight forwarding industry. In 2004, he moved from Milan, Italy, where he worked in sales as a key account manager to the US, to become a gateway operation manager in Los Angeles. Later he moved to New Jersey, working under his former mentor, industry heavyweight, Benno Forster, to become a VP for Air Freight Operations in the US.

In 2015, Tenebruso moved to Atlanta to head an airfreight product division in the Southeast. In 2019, JAS Worldwide invited Tenebruso to join the company as its Vice President, Air Freight, for the Americas, based out of JAS Worldwide global headquarters. Tenebruso stated that JAS feels much like his previous company from a few years ago. He sees the same client commitment in his new colleagues and feels a similar family atmosphere that he had previously come to know.

His goal is to further grow the airfreight product within JAS and build upon the already excellent structure and team in the Americas.

Focus: How has JAS evolved since 1978 in terms of leadership?

Tenebruso: We have seen many changes over the last forty years, but, we have not experienced a change in ownership, nor indeed in leadership.

Our founder, Biagio Bruni, remains active as the Chairman of the company to this day. In January 2006, he appointed Marco Rebuffi as Global CEO. Bruni chose a person who had been with the company almost since its inception. Rebuffi retains his JAS leadership position to this day. This speaks to the trust and longevity within the JAS company.

Focus: Please discuss the ocean relationships JAS provides to the industry and customers. What advantages does Blue World Line capabilities offer?

Tenebruso: On our ocean side, Blue World Line offers dedicated direct consolidation services within major trade lanes. This service is well-known to ocean carriers and our customers.

We have developed strong relationships with carriers that help us through difficult times, such as the blank sailings that have come about due to the Coronavirus pandemic. This has led to some interesting solutions. We are now expanding our Sea-Air and Air-Air programs to alleviate some of the ensuing capacity difficulties.



JAS USA global headquarters are located in Atlanta, Georgia. Photo courtesy JAS Worldwide.

JAS is a Customs broker in many parts of the world and this serves as an add on to our range of services.

Focus: Trade wars relocated the outsourcing of many companies. How has JAS helped customers work with the reorganization of manufacturing centers?

Tenebruso: The trade wars have caused issues for all forwarders. At our core, we employ a flexible and consistent approach to secure space. JAS is supported by an active set of company-owned offices throughout southeast Asia. Because of our strong Italian heritage, fashion and garments have always been part of our traditional business. Therefore, changes in trends and suppliers are not new to us and we have been able to adapt quite well. Indeed, in 2019, our company's fastest growing office was located in Vietnam.

We are fortunate that the market has swung towards this region. JAS is now able to take advantage of our local talent and space allocations for both air and ocean. This is accomplished through our Singapore transshipment gateway.

China's downturn is an issue, but we've been able to replace some of that business with new clients, which has offset other losses. Overall, we are happy with our 2019 global performance, especially from APAC customers.

Focus: Tell us about JAS Worldwide "single system" and software solutions.

Tenebruso: Seven years ago, one of the transformational changes at

JAS was the consolidation of various operational systems to one single platform. Our efforts were not limited to system changes.

We restructured our processes, introducing the single-file concept that allows our global operators to work on the same file in the same way.

The single-file concept was relatively new at the time, although some forwarders have since adopted this idea. With a single operational platform and uniform processes deployed worldwide, we are able to gain internal efficiencies, which are indirectly passed on to our customers. Externally, we now can guarantee data integrity. JAS leveraged this data integrity with a number of tools, allowing our customers to make well-informed, timely decisions.

When I joined JAS, I was impressed by the amount of time and resources spent ensuring that the quality of service, performance, and operational excellence were consistently maintained, all of which formed a huge part of the staff's daily work.

Focus: How does JAS Worldwide ensure its cargo customers' needs are met?

Tenebruso: Maintaining data quality means we can be transparent with our clients. However, with any transparency comes a degree of risk. I can say, from the highest levels within our company, that carriers are chosen on a variety of quality criterion. Our global cargo-steering abilities are well known by our partner carriers.

It is the vendors who provide the platform upon which we base our service. Our dedication to performance is reflected by the quality data our clients rely on to make decisions.



JAS Motorsport Logistics on the road. Photo courtesy JAS Worldwide.

Focus: What has been the response to JAS Latin America offices?

Tenebruso: In the early 1980s, it was considered fashionable for European companies to open US offices. JAS ownership turned its attention to Latin America first and then to the US. Upon my arrival to JAS, I saw a well-established South American market. The company has since developed one of the most mature organizations in Latin America. JAS now has a large footprint in Brazil, Argentina, Chile, as well as other office locations throughout the region – our most recent being in Colombia.

Focus: Has e-AWB document processes replaced traditional paperwork for European Union air cargo?

Tenebruso: As part of our dedication to quality, we find ourselves now working hard to improve the percentage of our e-AWB performance with carriers.

From a client standpoint, this is a soft benefit. Clients do not generally care if we can get over 98% with a carrier – but the more we help strip cost out of the transaction, the more competitive we become, and the more our clients benefit. We are not the earliest adopter of this process, but we have become converted, disciplined disciples.

Focus: JAS Worldwide is headquartered in the US. Please share your unique perspective on the effects COVID-19 has had on your European family, global partners and friends.

Tenebruso: I am an Italian who grew up in Germany and work for an organization that was founded in Italy. I have followed the Coronavirus outbreak in Europe and elsewhere since its beginning. I have relatives, friends and family living in Italy and Germany. I am concerned about their health and stay in touch.

When Italy became the epicenter of the pandemic, as with many Italians working for JAS, the company felt the impact of this crisis at a deeply personal level. JAS Italy is still a large organization within the company and we are in daily communication with them as the crisis continues. Our industry is deemed “essential” and although we have



JAS sponsored racing team -Barcelona. Photo courtesy JAS Worldwide.

not closed all our offices, we are working with reduced crews. Our CEO has mandated that people work from home as much as possible.

Focus: How is working with JAS Worldwide customers different during the pandemic?

Tenebruso: Our friends and colleagues in Europe and around the world are remaining strong during this crisis. Therefore our regular conference calls and follow-up conversations are as important to them as they are for us. The family nature of our business is not just a slogan, it is a living, breathing reality. Our organization is especially proud to charter airfreight from China to Italy in order to provide needed supplies as part of the Government response to the pandemic. We are learning from this experience and will come out of this even stronger.

JAS supports many industry verticals. Our core verticals are automotive, luxury goods and fashion, manufacturing, chemical, government and defense, live animals, wine and spirits, special projects, relief programs and aerospace. Each of these industries has different needs, especially during this global crisis. Our team knows the importance of customer communication. They work to create unique solutions for any problems that may arise during these difficult times.

Many of our customers have their own contingency plans and are willing to support their clients. We help our customers assist their suppliers, vendors and other business partners. As a provider of global logistics solutions, JAS designs holistic transportation plans to keep their goods moving.

Focus: In your opinion, how long will it take to restore the global supply chain?

Tenebruso: That’s a good question. Our airline partners have a massive dependency on passenger revenue streams and will be hurt for some time by the lack of business and personal travel. On the ocean side, carrier consolidation has already taken place due to oversupply, although there may be further changes to come.

The reality is, even though China is returning closer to normality,



Cargolux B747 "Powered by JAS." Photo courtesy JAS Worldwide.

reduced lift from air and ocean carriers are only a reflection of the reduced demand from elsewhere around the world.

However, cargo is still moving, and our industry has shown a robust response to whatever challenges are thrown at us. I believe the same will apply here again. In the short term, it is important that we keep things moving to make sure medical supplies and medical gear are sent to those most in need. In the long term, the transportation industry will certainly play a critical part, assisting to refill inventories as production ramps up again.

Our biggest concern is that while the coronavirus should, we hope, only last a matter of months, in terms of being a global event, there is a growing fear that an economic pandemic has already started and may last even longer. The very nature of the global economy is its interconnectivity. Problems in countries such as China and the US have hammering effects everywhere. This means, as has been widely predicted and reported, unemployment will follow. So, while opinions differ on how the recovery will look when the worst is over – whether it is a “V”, a “U” or possibly a hockey stick shaped recovery – there can be no doubt that even after COVID-19 is controlled, at least for some time, global demand will be diminished.

Focus: What new measures should be taken to ensure the safe delivery of international cargo?

Tenebruso: The safety and quality of transportation and cargo handling is more important than ever. JAS is putting measures in place to guarantee the safety and health of those in the front line physically attending the freight such as ground handling agents and warehouse operators. We must provide clean, safe work environments, proper handling equipment as well as personal protective equipment. The ever-increasing rise of eCommerce presents new challenges, especially when it comes to dangerous goods.

In JAS we listen carefully to our warehouse operators to better understand what we can do to make processes in our facilities and branches safer and more efficient. Everyone in JAS has a voice and contributes creative and innovative ideas that make us a better

employer and a better company. These are some of the ways we maintain high quality standards for our customers.

About JAS Worldwide

The acronym “JAS” comes from “Jet Air Services.” In 1978, the company, founded in Milan, remains privately held and fiercely independent. For 15 years, JAS has maintained its US headquarters in Atlanta, Georgia where Mario Tenebruso works as Vice President for Air Freight for the Americas region.

As a global logistics provider, JAS is involved in a wide array of key market sectors and offers expertise in additional specialty areas. Automotive is a central focus for JAS, offering Just-In-Time support for major parts suppliers as well as clients working on automotive prototypes. The company also provides logistical support for motorsport events. JAS leverages belly carriers, freighters and direct charters.

Over the last 40 years, JAS has grown to more than 4,000 employees, with over 220 branches and offices in Asia, Africa, Americas and EMEA.

While airfreight is a key piece of JAS history and central to its future, 3PL, live animal forwarding, perishables, eCommerce as well as the nearly decade-old Projects department, are all part of JAS Worldwide’s ever-expanding portfolio. Beyond these, customs brokerage helps cargo move along the final mile in many parts of the world. Offering this blend of capabilities allows JAS to provide clients with quality services, in addition to real time - real world analytics that capture crucial customer milestones.

The company slogan “People Make the Difference,” is a statement of intent toward employees as well as JAS clients. The company founders firmly believe this is a declaration and reflective of who we are and what we do.

An empowered staff makes a difference. Everyday the JAS staff works to bring clients the superior value they expect. Our customers know how vital it is to have the ability to reach beyond the keyboard and get answers from us whenever it is needed. This is a JAS core value.

When recent trade embargos and the pandemic presented significant challenges. The company responded with enhanced tracking, scheduling and communications for its customers.

JAS has been involved in hurricane and relief efforts, chartering aircraft with needed supplies along with its commercial cargo. For JAS this is not unfamiliar territory. When called upon, the company has assisted in other crisis-torn regions. This attitude is central to JAS Worldwide’s heritage and philosophy, which is naturally tied to the company’s Italian family ownership.



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

From the Top

Torque Zubeck, Managing Director Cargo

Alaska Air Cargo

Interview by Robert Christensen and Kathy Belmont



Torque Zubeck

About Torque Zubeck

As the Managing Director of Cargo, Torque Zubeck is responsible for the Alaska Airlines Cargo business unit with 330 team members. He directs all commercial and operational functions for the cargo team. Alaska Air Cargo ships freight and mail across an extensive belly-cargo network to over 100 locations across the continental United States, Hawaii, Canada and Mexico. The team also has a fleet of three 737-700 Freighter aircraft that operate primarily from Seattle and Anchorage to communities across the state of Alaska.

Zubeck joined Alaska Airlines in 2001. He previously led Audit Programs, for the Virgin America Integration Management Team, AAG Financial Planning & Analysis, Cargo and Alliances.

Born and raised in the state of Alaska, Zubeck holds a bachelor's degree from Stanford University and a master's degree in Business Administration with honors from Eastern Michigan.

Prior to Alaska Airlines, Zubeck worked in the fields of Economic Education, Business Consulting, and Financial Planning. He and his wife, Jennifer, reside in Normandy Park, WA. Their daughter, Allison, is a Junior at the University of Southern California, and their son, Joshua, is a freshman at Montana State University.

Zubeck currently serves as the Executive Sponsor for Alaska Airlines' annual Aviation Day, where 2,000+ teenagers have the opportunity to explore careers in aviation. He is also the Executive Board President on the Chief Seattle Council for the Boy Scouts of America. He and his wife are both involved in their community serving in their local church and schools.

Focus: Best-in-class digital professionals are headquartered in Seattle. Is this a recruiting advantage for Alaska Air Cargo's IT team?

Zubeck: IT recruiting and retention is always challenging. Being located in Seattle allows us to tap into a large pool of talent, but we are competing for people who have lots of options, so it is a double-edged sword.

Focus: What are Alaska Air Cargo's four top priorities?

Zubeck: Our primary concern is safety in all areas. We are also focused on growing our business, especially in the L48. Investing in new technology to improve customer and employee experience is another top priority. Finally, being close to our people is an important aspect throughout all our divisions.

Focus: Demographics for mobile business integration are growing. What apps are the Alaska Air Cargo team developing?

Zubeck: Our new website that we plan to launch in 2020 has been specifically designed to be mobile friendly, allowing customers to seamlessly use the website from their device of choice.

Focus: How has the Virgin America acquisition consolidation benefited Alaska Air Cargo customers?

Zubeck: Acquiring Virgin America has added over 200 million pounds of new capacity to our network. Although Virgin didn't carry cargo, their fleet has dramatically increased our capacity out of California. We now have the most non-stop coast-to-coast flights of any airline, and it allows us to offer excellent options for our customers.



An Alaska freighter waits on a cold winter day at ANC Airport. Photo courtesy Alaska Air Cargo.

Focus: In what ways has Alaska Air Cargo partnered with airports, cargo handlers and the trucking industry?

Zubeck: All of our locations outside of Seattle are handled by third-party cargo handlers (L48, Hawaii, Canada, Mexico, etc). They are critical to our business. We view them as important partners to our success and maintain close relationships with the airports. Their decisions impact our business, and we seek to stay engaged with them to know what changes may be coming in the future. We advocate for cargo. With the trucking industry, we have regular service that connects key parts of our network, which we could not do without their assistance.

Focus: How do passenger codeshare agreements benefit air cargo customers?

Zubeck: We are excited about the new West Coast International partnership with American Airlines as well as becoming a oneworld® member in 2021.

New codeshare agreements open the way for us to build more cargo connections. Typically, we optimize our network to connect passengers

to and from our partners. These agreements will also help us to build additional interline connections.

Focus: When does Alaska Air Cargo assist with cargo fulfillment for large integrators?

Zubeck: Given the unique places we serve, we have a good relationships with large integrators and work with a select group during the peak seasons and many others year-round.

Focus: Are OEM certified aircraft a better fit for Alaska Air Group's fleet expansion, or do independent conversion companies present better options?

Zubeck: There are definite benefits in having OEM certified aircraft. Given our Seattle location, Boeing is nearby and it would probably make obtaining support easier. However, we have a history of successfully operating freighter and combi-aircraft. These aircraft were converted by independent companies. At the end of the day, any conversion partner decision would come down to a number of factors including price, quality, timing, long-term support, etc.



Loading freighters at ANC airport. Photo courtesy Alaska Air Cargo.

Focus: The impact of COVID-19 is felt everywhere. How has Alaska Air Cargo's community service commitment evolved?

Zubeck: As one of the primary carriers connecting Alaska with the Continental US we are proud of the role we play as a lifeline to our state. This is a steadfast part of our business, as well as our commitment to Alaska's freighter network. We continue to optimize our freighter schedule and run passenger aircraft as freighters, to supplement lift when needed and ensure we remain a reliable part of Alaska's infrastructure. Much of what we carry to the state is essential, lifesaving freight. We take our community role to heart every day.

Focus: How has Alaska Airlines introduced students to aviation?

Zubeck: We sponsor the Alaska Airlines' annual Aviation Day in Seattle and Portland for students who are 13-18 years of age. We feel that

this is a prime time for teenagers to have an opportunity to explore aviation careers. I serve as the Executive Sponsor and have recently added more locations in the Bay area.

Together, with other partners, we host about 2,500-3,000 students. It is a wonderful opportunity for kids to see potential career paths and how to get there.

Focus: Do you have time for community participation?

Zubeck: Absolutely. I serve on the Chief Seattle Council as Executive Board President for the Boy Scouts of America. My wife and I also take part in local church and school activities.

Focus: How has the Coronavirus affected Alaska Air Cargo's customers?



Loading belly cargo at ANC Airport. Photo courtesy Alaska Air Cargo.

Zubeck: At the time of this writing, our customer base has remained strong throughout the Coronavirus outbreak. Some commodities have seen a decline in demand while other types of shipments have increased. We have adjusted flight frequencies in accordance to passenger demand. We continue to deliver for our customers. We stay focused on providing timely, honest and accurate information about our flight schedules and station hours for our customers. This allows customers to plan ahead, knowing they have the latest information from Alaska Air Cargo. We work closely with network operations control to ensure that all flights containing key cargo operate as planned.

About Alaska Air Cargo

Alaska Air Cargo operates the most extensive air cargo operation on the US West Coast of any passenger airline. Cargo services are offered on over 300 planes operated by Alaska Airlines, Horizon Air and

Alaska Air Cargo freighters. This combined fleet covers more than 100 cities from Puerto Vallarta, Mexico to Barrow, Alaska – and from Boston to the Hawaiian Islands.

Alaska Airlines is the only US passenger airline with dedicated cargo planes. Alaska's 737-700 freighter fleet offers more flexibility and capability to, from and within Alaska.

As the largest scheduled cargo carrier in the state, Alaska Air Cargo offers more service to Alaskan communities, routes between Seattle and Alaska, and connectivity to more than 100 other destinations.



NOTE: For additional information, please visit: www.alaskaair.com/content/cargo

From the Top

Thomas Schmitt, Chief Executive Officer

Forward Air

Interview by Robert Christensen and Kathy Belmont



Thomas Schmitt

About Thomas Schmitt

Tom Schmitt has served as Chairman, President and CEO of Forward Air since September 2018. Prior to joining Forward, he had already built a distinguished career, most recently serving as Chief Commercial Officer for DB Schenker, a \$20 billion global logistics company. From 2013 until 2015, Schmitt was President, CEO and Director of Aqua Terra, Canada's leading provider of natural spring water. Prior to that, Schmitt served as President, CEO and Director for Purolator, Canada's top parcel and freight transportation company. Schmitt also spent 12 years at FedEx in Memphis, TN, where he served as CEO of FedEx Global Supply Chain Services and SVP of FedEx Solutions. Schmitt has been a member of Xynteo Leadership Board since 2018 and a Non-Executive Director on the Ferguson plc board since 2019.

Equally as important, Schmitt supports local non-profit organizations such as Ballet Memphis and Shelby Farms Park. He currently serves on

the executive board of the Shelby Farms Park Conservancy, where he led the economic development committee to raise \$100 million to turn the country's largest urban park into an asset for the entire community. Schmitt was named to the Power 100, an annual list of the 100 most influential Tennesseans, published by Business Tennessee, based on the criteria of influence on important state policy, running important institutions or just getting things done for the state. Schmitt was recognized in CEO Today magazine as a distinguished winner of CEO Today's 2019 USA Awards. He was one of 100 CEOs selected for strong and innovative leadership and for changing the game in their business sector and beyond.

Schmitt together with Arnold Perl wrote Simple Solutions, a leadership book published by Wiley & Sons. Schmitt holds an MBA as a Baker Scholar from Harvard Business School. He earned his bachelor's degree in European Business Administration from Middlesex University.

Focus: What attracted you most to Forward?

Schmitt: Three things. First, a strong people culture where people and service matter most.

Second, a rock-solid business model of precision execution and hitting tight-time windows when it is bigger than a letter or a small box.

And, finally, 'tons' of upside (pun intended). Currently, we serve less than 10% of our addressable market.

Focus: How has Forward kept industry costs down and remained competitive?

Schmitt: We built our precision execution muscle by moving air-freight on the ground from airport to airport, as we built out our infrastructure around more than 90 airports. For two decades, that is what we did. We became the fastest and most reliable company for moving items that were bigger than a small box or letter from one airport to another. Our service offering was less expensive than air-freight and more reliable, as it will never get bumped when you have an extra suitcase – with a fraction of the carbon emissions of airfreight.

Ten years ago, we started using that same infrastructure to pick up before the origin airport and deliver beyond the destination airport. Today, 40% of all of our LTL moves start before the origin airport and/or go beyond the destination airport using the same infrastructure, with more services and a lower cost per move.



Forward Intermodal offers premium intermodal drayage for freight forwarders, beneficial cargo owners and steamship lines. Photo courtesy Forward.

Focus: How has Forward vertically integrated its airport-to-airport (A2A) service to fit multiple customer final delivery demands?

Schmitt: In two steps. The first step was the near stretch into pick-up and delivery. The second step was getting into the B2C final mile business, into the end customers' homes. For example, we offer installation of high value appliances, so we are bringing our precision execution to consumers.

Initially we handled the B2B LTL and the B2C final mile home installation in different networks, but now, we are starting to deliver both out of the same buildings. So, on a slow day the final mile home delivery driver also picks up or drops off LTL pallets. We are able to create this type of synergy that is simply not possible for pure LTL or home delivery companies.

Focus: Which destinations and markets do you currently serve and which will be added in the near future?

Schmitt: We serve most markets across the US and Canada. We are anchored in 92 terminals in major cities with our own teams and agents. These terminals are at airports today.

Nowhere is it written that Forward should only have terminals at major airports, so, at the right time we will expand our terminal network beyond airports.

Focus: What equipment does Forward provide its drivers?

Schmitt: We have more than 4,000 drivers who drive on our behalf. They own their own business, and we give them state of the art technology. First, for safety we provide equipment – from in-cab cameras, to driver simulators to collision mitigation. Second, so drivers can run their business more effectively, we offer a driver app that helps them operationally, and helps them manage their revenue.

Focus: What has changed in Forward's Truckload division?

Schmitt: Truckload is a fraction the size of our LTL business, and until recently, we ran them separately. Not anymore. In our newly-formed Expedited Freight division, we have one segment offering two services.

Our recruiters are hiring for both TL and LTL, our sales professionals are selling both services, and operationally, we often see TL out and LTL back - or vice versa.

In essence, we are super-sizing the resources in support of Truckload.

Focus: How does Forward's Truckload Services operate as a customer's broker?

Schmitt: In the past, we used independent contractors as the predominant resource for our Truckload services, with brokerage being a secondary activity. We have stepped up significantly, making brokerage an equally important offering, with additional leadership and sales focus.



Precision handling and sorting are hallmarks of Forward Pool. Photo courtesy Forward.



Forward Truckload Services offers a

Focus: What drives demand for expedited line haul services?

Schmitt: It helps to remember that we are dealing with what otherwise would be airfreight. Other drivers include higher value goods that require speed-to-destination, with short timelines to consumption and manufacturing.

Despite smarter supply chain planning, airfreight has been a growth industry. I expect the same for its “more efficient sibling,” grounded airfreight – which is what expedited linehaul is.

Focus: Are 3PL customers requiring door-to-door services?

Schmitt: 3PLs are sophisticated matchers of demand and supply, and they are the fastest-growing segment of the LTL industry. In turn, they have become our fastest growth segment, and they have demanded and accelerated the need for door-to-door service.

As in all segments, we strive to work with the best 3PL companies – this keeps us sharp and makes us better.

Focus: How do you service customers who now require full-service logistics solutions?

Schmitt: We have an increasingly full portfolio of “bigger than a box” precision execution services across the US and Canada. We work with our customers so they can take advantage of all of our service offerings, and we optimize for their sweet spot between three currencies: Time, money and carbon emission.

Focus: How did Forward’s Guaranteed Service evolve?

Schmitt: We believe in our industry-leading LTL service and reliability, so we started a money back guarantee for most of our airport-to-airport lanes. Our customers are increasingly taking advantage of it.

Guaranteed Service gives our customers peace of mind, and it keeps us on our toes. It is working well, for them and for us.

Focus: Why has demand for pickup and delivery options increased?

Schmitt: Many of our customers are value-adding forwarders who work on behalf of end customers. End customers often need to get their products from other continents into a US destination warehouse, a mall or a home. An airport is never the final destination.

The last thing these forwarders or their end customers want to figure out is how to separately contract Harry’s trucking for a 20-mile move from a destination airport to a warehouse. They want us to take care of that for them, and we are. Hence the fast growth of our door-to-door moves.

Focus: What types of qualifications does Forward look for in a new hire to develop sound industry skills?

Schmitt: Quality attracts followers, so as long as we hire and stretch A-players, more will want to join us. As always, we hire for will over skill. I can always teach skills, but it’s hard to train away a poor attitude. We really do have a “can-do” attitude across the board at Forward and it’s amazing to see.

Focus: What affects has the Coronavirus had on Forward supply-chain partners and new customer demands?

Schmitt: It is a huge human and humanitarian challenge. On the business side, this is probably the tallest “black swan” I have seen in my lifetime. In a stark way, this is the most powerful proof of globalization ever.

At Forward, we are focused on “double health” - the health of our people and those around us, and the health of our business. I could



complete portfolio. Photo courtesy Forward.



Forward operates a vast network of independent owner operators and third-party carriers. Photo courtesy Forward.

not be more proud of my team; it is remarkable how they've stepped up. There are thousands of us in operations buildings and on the road keeping America going, with a tireless can-do attitude.

We are developing new ways of helping others. Right now, we are talking with grocery chains about helping them to get goods into the stores and onto shelves. Beyond this challenge, our customers will reach out to us more, not less – as long as we keep supporting them in the right way now.

Strong teams make it through challenges and come out stronger. I believe that right now is the time to manage counter-cyclically. When times are extra tough, we must be extra kind and supportive - with a smile and the right attitude. From a safe distance, of course.

About Forward

Forward was founded in 1990 on a simple idea: improving reliability and lowering costs by grounding airfreight for short distances. Over the last 30 years, Forward has grown into a leader in the ground transportation industry, with a portfolio of services that has evolved to meet customers' unique shipping needs – far beyond airport-to-airport transportation.

Forward offers a variety of services including expedited linehaul (TL and LTL), pick-up and delivery, intermodal drayage, final mile, pool distribution and specialized temperature-controlled logistics services.

Forward operates an asset-light model utilizing independent owner-operators and third-party carriers to deliver premium solutions to customers.

As the most comprehensive provider of wholesale transportation services in North America, Forward serves freight forwarders, airlines, 3PLs and more with superior service and operating flexibility regardless of economic cycle.

LTL Services:

In North America, Forward utilizes a comprehensive scheduled airport-to-airport network, offering a variety of freight management services, including pickup and delivery, warehousing, consolidation, deconsolidation and more. With expedited regional, inter-regional and national LTL services, Forward is able to create premium customized solutions.

Supporting International Trade:

Forward has internal compliance departments for Customs Brokerage, TSA, Dangerous Goods, Quality and Safety. Forward's stations and hubs are strategically located adjacent to key international air and ocean gateways. Forward creates greater connectivity with capacity to meet customers' ever-changing needs. Once a customers' import cargo clears customs, it may be dispatched for final mile delivery to over 38,000 postal codes in North America.

For exports, Forward acts as an agent to the indirect or direct air carrier, picking up from an origin airport or zip code and delivering to the customer's preferred carrier. Forward can help airlines and international forwarders break down their air or ocean containers. In some markets, Forward can provide sort and segregate by house Air Waybill, SKU, P.O. number, color or size.

Forward can be your primary partner for connecting international air cargo between you and your valued customers within North America.

Our major airline partners include, among others, Delta Airlines and United Airlines.

Forward Final Mile:

The "final mile" of the supply chain is the most vital link in completing logistical challenges for businesses. When executed with precision, final mile delivery makes a powerful impression on customers – leading to repeat business. Operating a dedicated network, Forward Final Mile can offer integrated options and customization, beyond threshold



Forward Intermodal offers airport-to-airport transportation and beyond. Photo courtesy Forward.

delivery with specialized B2B and B2C installations and warehouse and inventory management.

In 2019, Forward acquired FSA Logistix and Lin Starr to bolster their Final Mile service offering. Today, Forward Final Mile completes over 15,000 deliveries and installations daily, in over 84 US markets.

Forward Final Mile customers include The Home Depot, Best Buy, Ferguson Enterprises and General Electric.

Forward Intermodal:

Forward Intermodal is a market leader in import delivery and export pickup between ports/rails and customer distribution centers. Forward Intermodal offers premium intermodal drayage for freight forwarders, Beneficial Cargo Owners (BCOs) and steamship lines.

Forward Intermodal currently has 24 terminal locations with yard management, including jockey/container spotting, on-site dispatch, etc. Point-to-point tracking with best-in-class customer reporting sets Forward Intermodal apart. Customers include Costco, IKEA, Fastenal and Disney.

Forward Pool:

Forward offers customized delivery solutions via our Pool distribution business. As a single-source provider from distribution center to final delivery point, Forward Pool provides over 10,000 customized, reliable, time-definite deliveries per week throughout the US.

Forward Pool utilizes regional linehaul connectivity for broader coverage with a single point of entry, with nationwide service possible through the Forward network. Highly mechanized conveyer systems provide precision handling and sorting, with a proprietary IT scan platform that offers industry-best visibility and custodial control.

Forward Truckload:

Forward Truckload supports customers who need last-minute on-demand capacity or additional support for a scheduled linehaul. Forward Truckload Services offers a complete portfolio of premium services for any logistics need. Forward offers expedited truckload brokerage for long-haul, regional and local needs, providing specialized equipment such as flatbed, reefer, dry van, small vehicle and temperature-controlled logistics services.

With a vast fleet of exclusive owner-operators and thousands of carrier partners, Forward Truckload handles over 90,000 loads annually, servicing 48 states, Canada and Mexico.



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



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Early Lessons Learned

COVID-19's Impact on Global Transportation

by Jonathan Todd of Benesch, Friedlander, Coplan & Aronoff LLP



Jonathan Todd

We will see articles analyzing the COVID-19 pandemic for years to come. Our collective experience throughout this global event was unparalleled in its speed of interruption and depth of uncertainty. It has impacted every aspect of our personal and professional lives. Not a single economic sector or specialty was immune from the effects of the virus – transportation and logistics were no exception.

The Experience. The transportation and logistics community can now begin to take a step forward in developing lessons learned by examining the course of events and how to best prepare and respond for the next global interruption. Initial outbreaks of COVID-19 were localized in Hubei Province, PRC. Their impact was largely limited to shippers who relied upon industrial production capacity in Wuhan. Next, trucking capacity constricted in China followed by Chinese ports of call closure. Ocean responded with blank sailings. What began as an inventory management problem became a transportation and logistics challenge. The COVID-19 outbreak is an extreme Sales & Operations Planning (S&OP) exercise. Professionals were tasked with balancing available services for inbound and outbound logistics with real cost and market demand. The playbook was constantly evolving. The grand theme that emerged was the need to closely manage expectations for service and price.

At the time of this writing, it is widely reported that air cargo rates on some trans-Pacific lanes have spiked 60%. The air cargo market was particularly impacted because inventory shock forced the movement of cargoes that may otherwise constituted ocean traffic. Available air cargo capacity was impacted by restrictions in passenger flights. The virus has impacted ocean rates, which in response to infrastructure closure and blank sailings caused rates for some lanes to increase as much as 35%. Some are predicting particular impact on the 2020 ocean bid season including extension of the relative speed of negotiation and intense focus on the precise terms under negotiations.

Transportation and logistics challenges began at production points and constrained inbound logistics. The interruption has and will continue to extend through the entire supply chain ending at outbound logistics operations, distribution, fulfillment, and the final mile. For example, the

S&OP challenge facing many enterprise shippers looking to balance the changes in consumer retail demand. The “bullwhip effect” inefficiency is evident in times of extreme demand disruption. Movement constraint of goods remain challenging even after supply becomes available. At the consumption level, the intervention of government authority to shutter operations and the health of professionals in warehousing and delivery may yield the final bottleneck tightening available supply and driving service cost.

Early Lessons. One benefit is the gift to examine and improve our operations based on a clear, indisputable data. What was previously hypothetical is now a comprehensive global case study to move cargoes around the world, stronger and more efficient than before. We know all too well that disruption will be highly fact specific yet, in a globalized world, will spread throughout the entire supply chain impacting everything from supply, service, price, and demand. From that point of understanding we can begin to learn more about tactical response and strategic preparedness.

Managing Expectations. Customer relationship management and vendor management has grown into a specialty and in some regards a subindustry. The principles and best practices for those endeavors were called to task amid the COVID-19 impact. As early as the new year, it became critically important for many organizations to communicate thoughtfully with producers, providers, and customers in order to effectively manage expectations. If there was potential for delay or increased charges then written communications and notices were necessary to align expectations. Those communications were in part broadcast to entire supplier, provider, or customer groups and in other cases issued tactically. This activity was both a service to production planning as well as a means to gain assent, if required, to any necessary increase in costs.

Exercising Force Majeure. Nearly every organization found itself collecting in-force contracts and closely reviewing force majeure clauses. Force majeure is the contract principle and equitable doctrine under common law that excuses non-performance due to the occurrence of certain events outside of the performing party's control. Specific references to “Pandemic” and “Act of Government Authority” and others could now be applied to real-world facts. The World Health Organization declared coronavirus a global pandemic on March 11. Governments around the world shuttered operations in many communities. It is not outside of reason that certain delays and non-performance may constitute force majeure. However, this analysis is always fact specific. It depends on the applicable language or law,

whether the intervening event actually caused the breach, whether alternate measures were available, and the procedural requirements such as notice, cure, and termination rights. All providers and participants were well served to have meaningful force majeure provisions and thoughtful approaches to their consideration and exercise.

Triggering Contract Mechanisms. Additional mechanisms available under contract or service terms provided the pathway to navigating the range of possibilities as the coronavirus spread. For example, even where interruption did not constitute force majeure, well-drafted contracts permitted relief through the reduction of service, adjustment of performance schedules, and recouping of increases in the cost of service delivery. Many organizations built contract tools for surcharges, price fluctuations, the right to decline orders or tender, and options for calling breach or default as well as available cure periods. The exercise of these tools was in many instances essential to short term performance. In all events, the crafting of these mechanisms and consideration of their applicability as facts developed assisted all contract parties to gain visibility to those eventualities.

Ensuring Safety. Interruption is not just a matter of production and service since it can impact personnel. Health officials and advisors have published guidelines to help stop the spread of coronavirus. Certain unique concerns arose in transportation and logistics sectors. One was the health consideration of equipment movement, containers and documents (such as original bills of lading) throughout the supply chain, and, whether the coronavirus could live on those surfaces. This was a thoughtful recognition of the materials and cargo that pass through the hands of service providers. Fortunately, indications were the virus did not survive for appreciable time periods on those surfaces.

Understanding Responsibilities. The all-encompassing nature of the coronavirus pandemic has obscured the true legal responsibilities for each and every aspect of business. State and local governments have issued "essential business" orders that fortunately have typically permitted transportation related activities. Even the federal government has issued certain emergency declarations permitting otherwise unlawful behavior. However, these challenging times extend beyond core business operations to labor and employment, data and privacy rights, and general commercial contracts obligations. Swift adaptation has become paramount. Some operations responded by requiring voluntary home working. Others required employees to take temperatures prior to work. Still others issued carefully drafted notices to vendors and customers who may have been exposed. These and other steps attempt to strike the balance between legally required behavior to manage risk and activities that are mere best practices. Care is essential to ensure that actions are deliberate, well-reasoned, and appropriately risk-based.

Resolving Disputes. It is inevitable to encounter disputes with provider, customers, and even employees. Every dispute is unique and those arising during a pandemic are no different. The specific facts and

circumstances, contract language, and applicable law in the jurisdiction will all drive the path toward resolution. Still, in uncertain times such as these a few basic strategies tend to hold true. Home jurisdiction is generally preferred for its cost efficiency and predictability depending upon the location of the parties and nature of dispute. It tends to be valuable to raise concerns swiftly with strong, pragmatic, business-to-business communication. Those early expressions of position may resolve disputes amicably and, if not, will be valuable memorialization down the line. In all events it is important to consider relative bargaining power and the strength of relationships. A high-dollar relationship will bear reasoned communications much more than an occasional commodity service or customer.

When to Obtain Counsel and Representation. The speed of this experience has led to frequent involvement of legal counsel early on in the pandemic and throughout the daily evolution of risk and best practice. Fortunately, the practice of law has grown dramatically more specialized with certain providers offering deep subject matter expertise just as the business of transportation and logistics has become increasingly consultative in nature. Early counsel has proven invaluable to operators looking for knowledge-based decisions for well-reasoned action. As the pandemic grew that counsel quickly expanded beyond savvy strategic advice and took on a tactical nature with cross-functional teams offering employment, privacy, healthcare, and commercial guidance to manage all aspects of daily impact. The value of this broad-based guidance is helps to manage enterprise risk and therefore cost, but nonetheless, retaining representation is ultimately unavoidable when one is named defendant or must pursue a potential defendant to in order be made whole.

Early lessons such as these are actionable right now even as the COVID-19 interruption continues to sweep through global supply chains. As the day-to-day urgency subsides these will serve as a near-term checklist for consideration of immediate improvements to contractual relationships and standard operating procedures. The totality of lessons learned from the global impact of COVID-19 will require years to understand and implement. However, if the transportation and logistics experience during the spread of COVID-19 has taught us anything it is that speed of implementation is everything.

About the Author

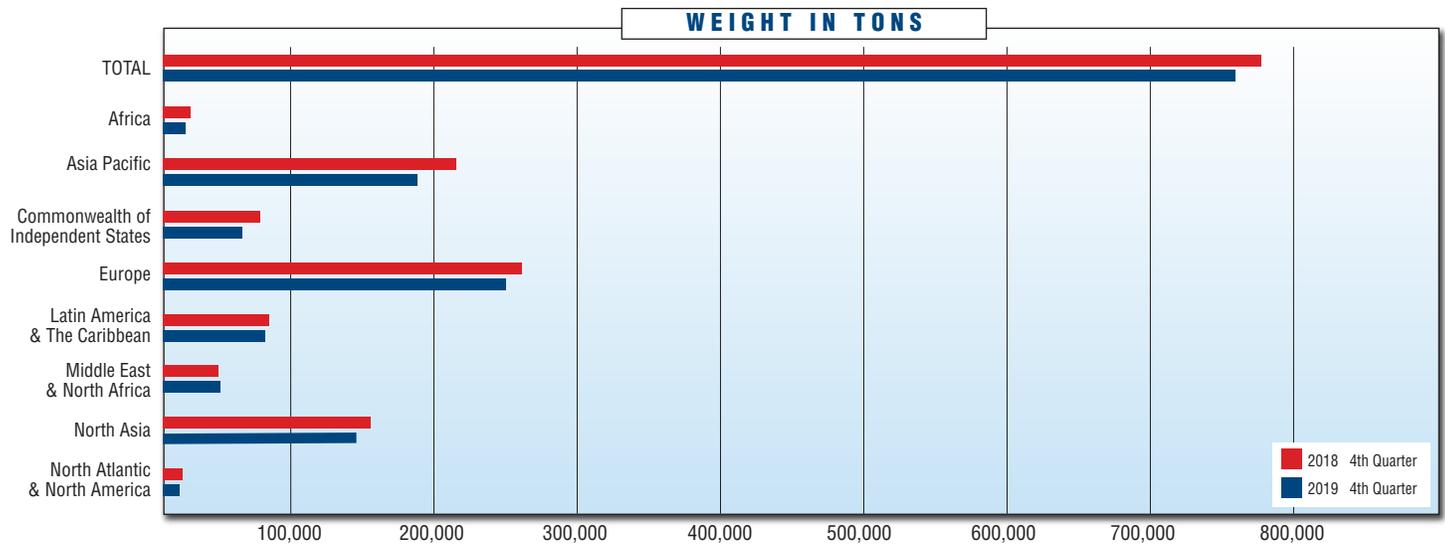
Jonathan Todd is a Partner with the Transportation & Logistics Practice at the law firm Benesch, Friedlander, Coplan & Aronoff LLP. The Benesch Transportation & Logistics Practice stands ready to counsel and represent clients throughout the resolution of the pandemic and the rebuilding that will follow.



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.



| 2019 Weight in Tons | | 2018 Weight in Tons | | 2019/2018 | |
|--------------------------------|----------------|--------------------------------|----------------|--------------------------------|-------------|
| Region | 4th Quarter | Region | 4th Quarter | Region | 4th Quarter |
| Africa | 12,671 | Africa | 13,154 | Africa | -4% |
| Asia Pacific | 194,532 | Asia Pacific | 215,020 | Asia Pacific | -10% |
| Commonwealth of Indep States | 6,248 | Commonwealth of Indep States | 7,595 | Commonwealth of Indep States | 18% |
| Europe | 255,415 | Europe | 269,239 | Europe | -5% |
| Latin America & The Caribbean | 79,073 | Latin America & The Caribbean | 81,075 | Latin America & The Caribbean | -2% |
| Middle East & North Africa | 46,831 | Middle East & North Africa | 46,774 | Middle East & North Africa | 0% |
| North Asia | 146,038 | North Asia | 143,140 | North Asia | 2% |
| North Atlantic & North America | 2,399 | North Atlantic & North America | 2,327 | North Atlantic & North America | 3% |
| Total | 743,206 | Total | 778,324 | Total | -5% |

| 2019 Shipment Count | | 2018 Shipment Count | | 2019/2018 | |
|--------------------------------|----------------|--------------------------------|----------------|--------------------------------|-------------|
| Region | 4th Quarter | Region | 4th Quarter | Region | 4th Quarter |
| Africa | 19,881 | Africa | 20,198 | Africa | 2% |
| Asia Pacific | 180,514 | Asia Pacific | 202,844 | Asia Pacific | -11% |
| Commonwealth of Indep States | 15,542 | Commonwealth of Indep States | 16,370 | Commonwealth of Indep States | 5% |
| Europe | 226,955 | Europe | 234,798 | Europe | -3% |
| Latin America & The Caribbean | 77,592 | Latin America & The Caribbean | 76,867 | Latin America & The Caribbean | 1% |
| Middle East & North Africa | 48,378 | Middle East & North Africa | 47,629 | Middle East & North Africa | 2% |
| North Asia | 132,976 | North Asia | 134,025 | North Asia | -1% |
| North Atlantic & North America | 7,191 | North Atlantic & North America | 7,627 | North Atlantic & North America | -6% |
| Total | 709,029 | Total | 740,358 | Total | -4% |

DECEMBER 2019

In December, US export revenue decreased -13.5% y/y, showing a decreased demand of -9.4% in November and -8.7% in October. Yields were reported to decrease -5.6% y/y in December, compared to -4.9% decrease in November and -2.6% in October. European market export tonnage decreased -10.4% y/y, (35% of the market), showing a decreased demand of -3.0% in November compared to a -2.4% decrease in October.

US tonnage to Asia Pacific decreased -11.3% y/y versus -9.9% in November and -7.5% in October.

Overall, 4th quarter results statistics reflected a -10.5% decrease in revenue, -4.5% decrease in tonnage and a -4.4% decrease in yield.



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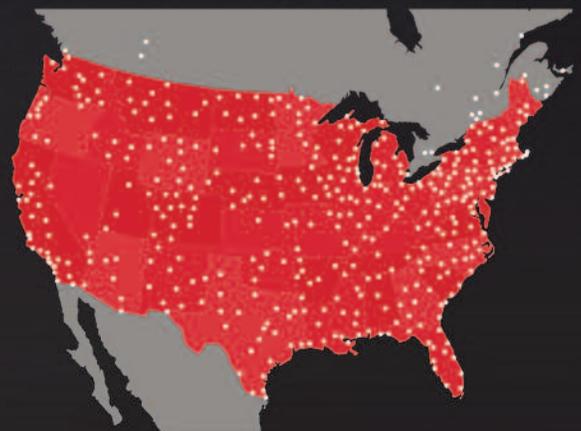


Forward brings 30 years of expertise in expedited linehaul and the most comprehensive scheduled airport to airport network in North America to service 98% of the United States.

With service offerings including pickup and delivery, intermodal drayage, final mile and pool distribution or specialized temperature-controlled logistics, Forward is your supply chain partner.

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