

The International Air Cargo Association

A large cargo aircraft is shown from a low angle on a runway. The sun is setting in the background, creating a warm orange and yellow glow. The sky is a mix of blue and orange. The aircraft is white with dark accents on the wings and engines. The runway has white and yellow markings. The overall scene is dramatic and professional.

# TIACA and GACAG *Addressing Industry Challenges*

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Michael Steen  
Chief Commercial Officer – Atlas Air Worldwide  
Chairman – TIACA  
Chairman – GACAG

# An Enduring Contribution

## **We are passionate about the Industry**

People who are in this business, love this business

## **Airfreight is critical to the global economy**

Our story needs to be broadly told

## **We need to share information with influencers**

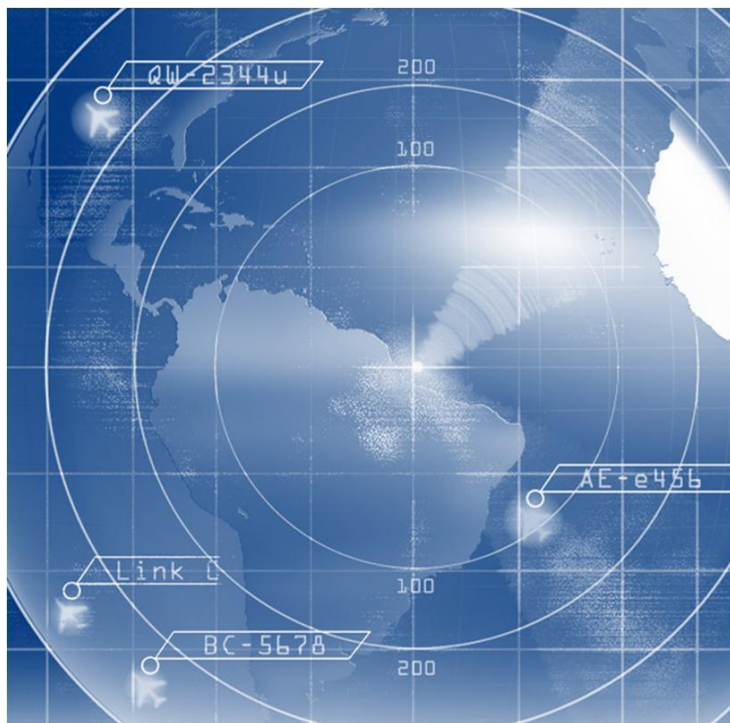
Demonstrate our impact, continue to drive innovations

## **Why now?**

Shape outcomes, Industry collaboration is paramount

## Global Impact

*Aviation at the center of the modern global economy*



- Efficient access to markets
- Catalyst to international trade
- Contributes to economic and social development
- Drives increased competition and innovation
- Strategic supply chain component

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***“ Daily exchange of goods, ideas and benefits.”***

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## Compelling Statistics

Airfreight represents  
**only 1% – 2% of the  
world trade by weight...**

but  
**35% – 40%**  
by value (IATA)

Airfreight generates  
**more than \$60 billion  
in total annual revenue...**

up from  
**~\$40 billion**  
in 2000 (IATA)

**Demand for  
airfreight surged...**

by  
**18.2%**  
in 2010 (IATA)

Between 1955 and 2004  
**prices fell...**

from  
**\$3.87 FTK to  
\$0.30 FTK (\$2004)**

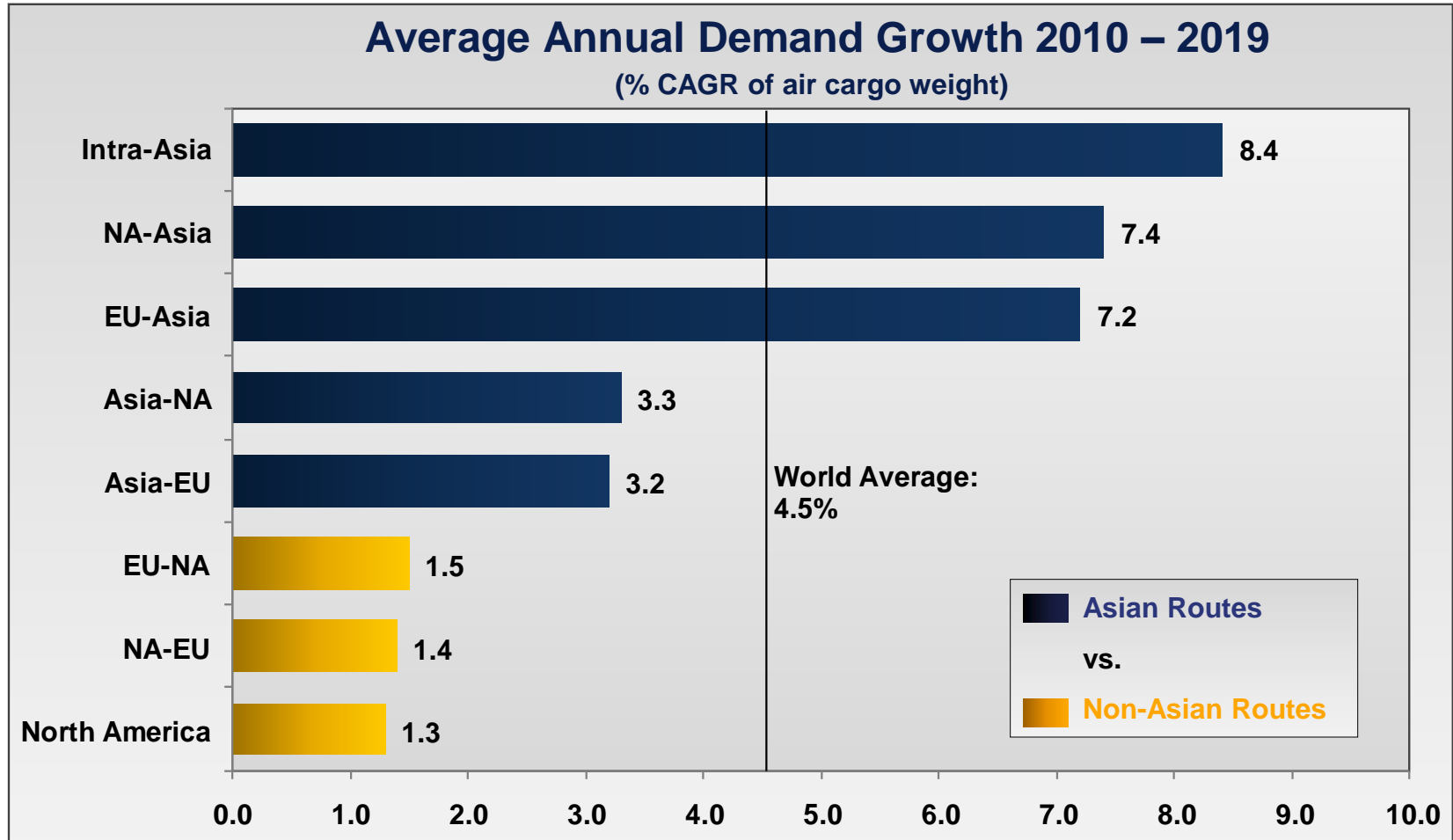
**Looking ahead, the  
Atlas 10-year forecast...**

annual airfreight  
demand is **4.5%**

Intra-Asia expected to **almost  
double** from 2010 to 2019...

from  
**6.5B tons to  
11.5B tons**

# Our Industry Will Continue to Grow



## Who is TIACA and How are We Impacting Change?

*The only worldwide trade association that represents  
all the different sectors of the air cargo industry*



### Mission

***“To advance the interests of  
the air cargo industry and  
strengthen its contribution  
to world trade expansion.”***

## Address Industry Issues

*Work proactively at government and regulatory levels to give our industry's view on issues impacting air cargo including:*

- ICAO
- WCO
- U.S. DHS (CBP & TSA)
- ECAC
- UNCTAD
- OECD
- FAA, DoT and USTR
- World Bank



## Address Industry Issues

*Representatives in Brussels and Washington have built a strong profile:*

- Significant contacts in key U.S. government agencies
- Member on several advisory committees to the U.S. government
- Ongoing dialogue with EU Commissioner for Transport
- Memorandum of Understanding with WCO



## Current Industry Issues

### *Customs Facilitation*

- Working with WCO towards elimination of paper documents – Use of Automation
- Implementation of a standard electronic customs / cargo interface at all EU airports
- Working with World Bank to modernize border management and reduce barriers for air cargo
- Working with U.S. Customs on next generation automation system and its single window International Trade Data System
- Support increases in both the de minimis and information entry limits in the U.S.

## Current Industry Issues

### *Security*

- Lithium Batteries: Proposed U.S. changes would dramatically affect air cargo shipments (providing input to U.S. authorities)
- U.S. Congress: Testimony and consultation
- TSA: Consultation and advisory committee participation (100% screening for inbound)
- Created an Emergency Response Plan to help members in the event of another 9/11 type crisis
- Member of IATA's Secure Freight Task Force


# Current Industry Issues

## *Environment*

- **Narrowed scope of environmental work to focus on** the two issues we determined were most critical to air cargo
  - Noise and the potential for night restrictions at various airports
  - Carbon emissions and alternative fuels
- TIACA is **working to dispel widespread misconception** of these issues by educating policy makers, negotiators, and members



# Climate Change – Perception vs. Reality



	<b>Perception</b>	<b>vs.</b>	<b>Reality</b>
	Aviation is a major climate change contributor		Aviation is a relatively small contributor Domestic U.S. commercial... 2% GHGs (EPA) Worldwide aviation... 2% man-made CO <sub>2</sub> (IPCC)

**But there are concerns...**

Aviation demand is expected to grow, and therefore so are aviation emissions...

**... Aviation is tackling those concerns head-on**

## Actions Taken by the Airline Industry

### Technology

- Invest in newer aircraft; fleet enhancements
- R&D for engines & airframes

### Operations

- Weight reduction; maintenance
- Operational procedures

### Infrastructure

- ATC modernization; NextGen



**We're All  
Motivated  
Fuel is our  
#1 cost center**

## Positive Financial Incentives Can Help...

By \_\_\_\_\_

**Stimulating R&D and  
Technology Deployment...**



But \_\_\_\_\_

**Harmful, Punitive Economic  
Measures are Proliferating...**

- Proliferation of taxes and charges
- European Emissions Trading Scheme (ETS)

## Global Air Cargo Advisory Group (GACAG)



### Objective

*“To give the industry one voice on issues such as security, customs reform, e-Commerce, and the environment and promote the image of the air cargo industry.”*



## Global Air Cargo Advisory Group (GACAG)

- Industry group facilitated by TIACA to present a single voice to worldwide regulatory authorities
- “Amsterdam Agreement” signed during ACF 2010 November 4, 2010 in Amsterdam
- Collectively represents the most powerful grouping of organizations involved in the air cargo supply chain: **TIACA, IATA, FIATA, GSF**





# Global Air Cargo Advisory Group (GACAG)

## *Task Forces*

### Four Task Forces Launched:

- Security
- e-Commerce
- Customs and Trade Facilitation
- Sustainability of the Global Air Cargo Industry



## Global Air Cargo Advisory Group (GACAG)

### *Key Objectives: Security*

- Advance electronic information process and timelines to improve aviation security risk assessment
- Consignment security declaration process and layout to provide aviation security regulators with an audit trail of who secured what, how and when
- Supply chain security program guidelines to introduce supply chain security in countries where there is none
- Ad hoc supply chain security issues, as they develop and require actions by the GACAG

## Global Air Cargo Advisory Group (GACAG)

### *Key Objectives: e-Commerce*

- e-Commerce facilitation in the booking and movement of air cargo
- e-Commerce facilitation of an electronic air waybill for issuance by either carrier or agent
- Electronic air cargo track and trace
- Ad hoc air cargo e-Commerce issues

## **Global Air Cargo Advisory Group (GACAG)**

*Key Objectives: Customs and Trade Facilitation*

- Customs modernization
- Customs automation
- Customs advance data collection and targeting
- Ongoing customs initiatives within the World Customs Organization
- The World Trade Organization's negotiations on trade facilitation
- Ad hoc air cargo customs and trade facilitation issues

## In Summary

*How do we all contribute to Change?*

Members from all Industry Segments **must collaborate**

**Active participation** in Industry Organizations is critical

Need to **balance costs and benefits** in a thoughtful approach

**Current methods not comprehensive and reliable**

**Establish Best Practices to demonstrate Success**

# TIACA and GACAG

*Working to Advance  
the World of Air Cargo*

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