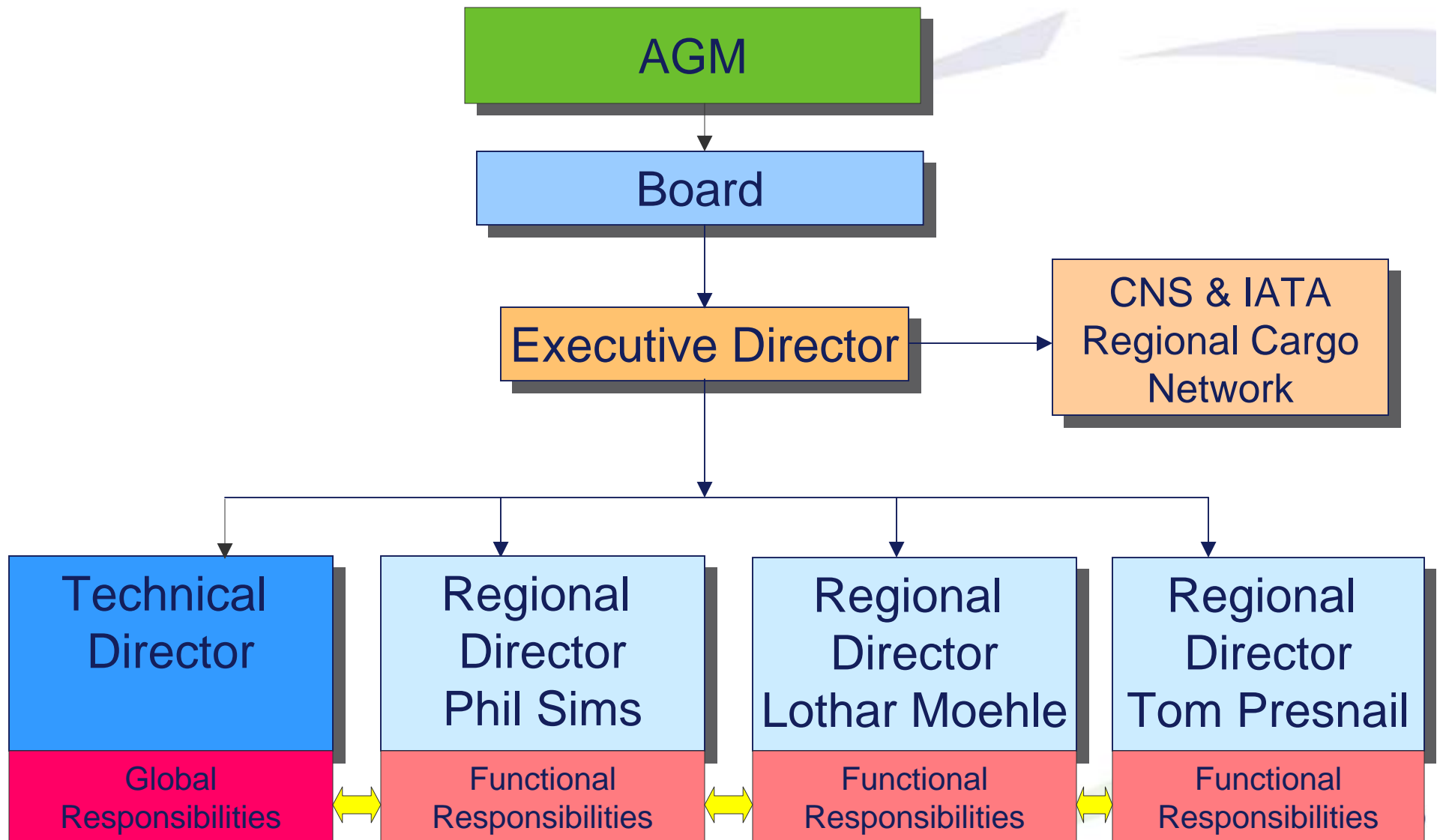


Quality & Industry Standard for the Global Air Cargo Industry



Presentation by Lothar Moehle
Cargo 2000 Programme Director

New Management Structure



C2K Board Members

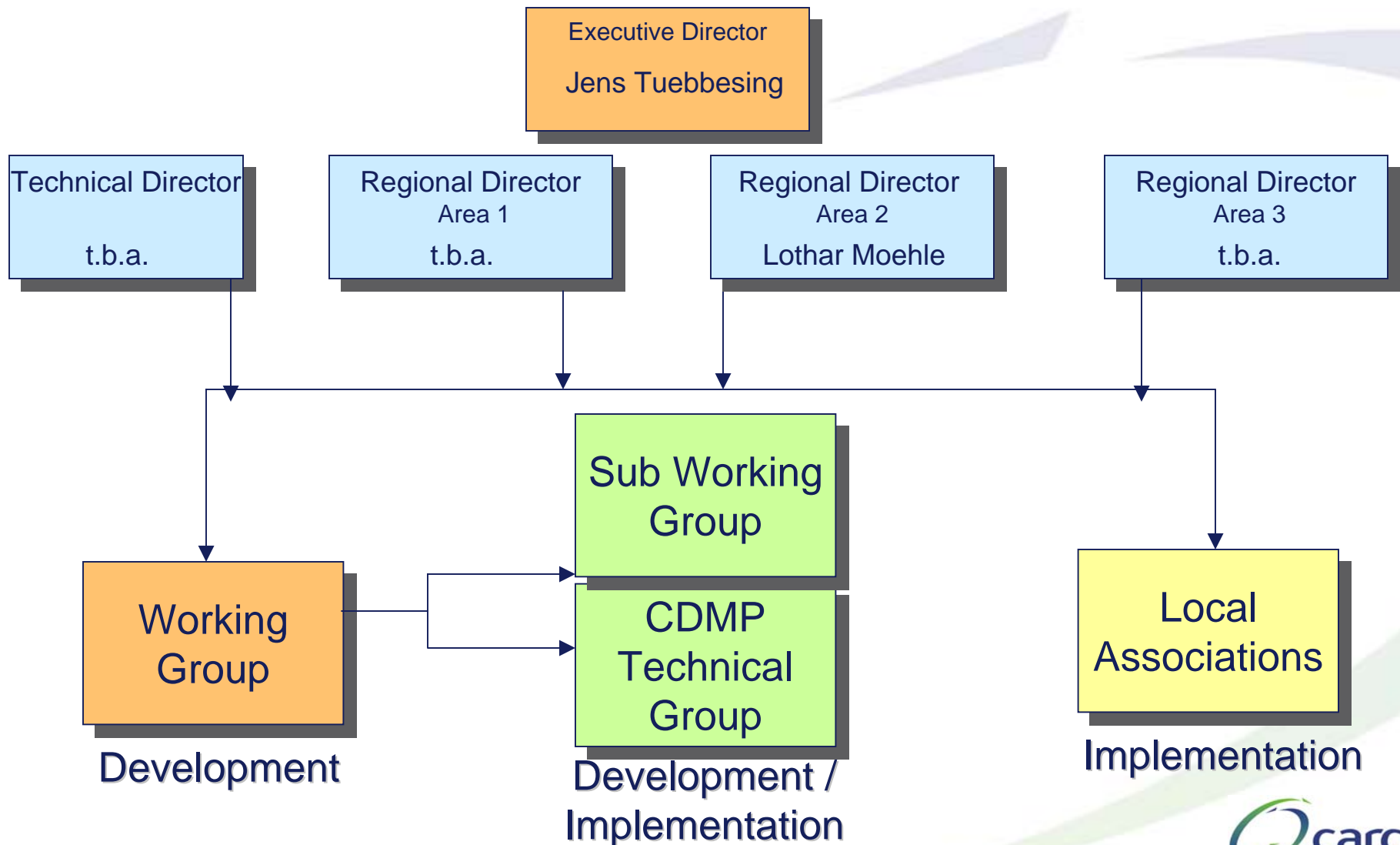
Airlines

- Mr. Albert Lo –
Cathay Pacific
- Mr. Arend De Jong – (VC)
AF / KLM Cargo
- Mr. Scott Dolan –
United Airlines
- Mr. Guido Baldus
Lufthansa Cargo

Forwarders

- Mr. Mick Fountain (Chair)
– Barthco
- Mr. Roland Bischoff -
Kuehne + Nagel
- Mr. Thomas Mack -
Schenker AG
- Mr. Masahiro Omori –
Yusen Air & Sea Service

Cargo 2000 Executive Management



C2K Members

Airlines

- AirBridge
- Air Canada (*)
- Air France (*)
- Alitalia (*)
- American (*)
- Asiana
- Austrian (*)
- British Airways (*)
- Cargolux (*)
- Cathay Pacific (*)
- Delta (*)
- Egyptair
- Etihad
- Finnair
- JAL
- KLM (*)
- Korean (*)
- Lufthansa (*)
- NCA (*)
- Polar
- SAS (*)
- Singapore (*)
- Swiss (*)
- Virgin Atlantic
- United (*)

Forwarders

- ABX logistics
- Agility Logistics (*)
- Brunei Transport
- DHL Global Forwarding (*)
- Geodis – Wilson (*)
- Hellmann
- Kühne + Nagel (*)
- Panalpina
- Schenker AG (*)
- SDV Intl. Logistics (*)
- UTi
- Yusen Air & Sea Service (*)

C2K Industry Associates

Industry Associates

Ground Handlers

- Australian Air Express
- Aviance
- Aviapartner (*)
- Cargo Center
- Cargologic (*)
- International Cargo Centre Shenzhen (*)
- Kenya Airways GHA Div.
- Menzies Aviation
- National Aviation Services
- SATS Ltd.
- Servisair UK
- Swissport (*)
- Worldwide Flight Services

Industry Associates

Trucking Companies

- Rutges
- Towne Air Freight

C2K Industry Associates

Industry Associates

IT Providers

- British Telecom (*)
- CCN (*)
- Cargomatrix
- Cargonaut
- Descartes Global Logistics Network (*)
- GLS (*)
- Kale Consultants
- Mercator
- Riege Software
- Traxon (*)
- Unisys (*)

(*) = Members who obtained the C2K Quality Certificate

We are constantly talking to interested potential new members!

Local Associations

- Already operational in: AMS, ATL, BKK, CDG, DFW, FRA, HKG, ICN, LAX, LHR, MIA, MXP, NBO, JFK, ORD, SFO, SIN, TYO, YUL, YYZ, VIE, JNB
- Plus Regional Association in Asia, N-America, Australia and for Scandinavia
- Targets: ZRH, LUX,

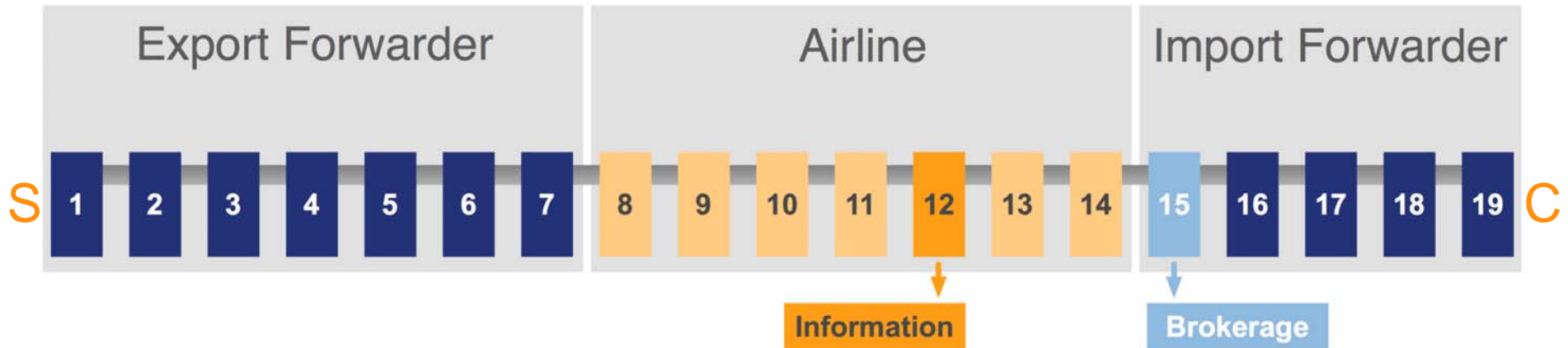
What Cargo 2000 is all about!

- Standardisation – Creating industry standards
- Process and Process Control
- Quality Supported by data
- Reducing Costs / Growing Revenue
- Customer Service and Customer Satisfaction

Objectives of the Initiative

- For **PROACTIVE** control of processes
- A quality **MEASUREMENT** program
- A quality **MANAGEMENT** system
- A Certification Program by **Cargo 2000**

The Master Operating Plan



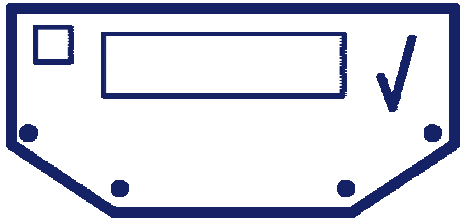
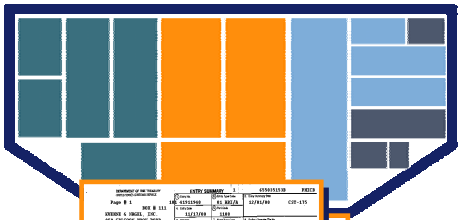
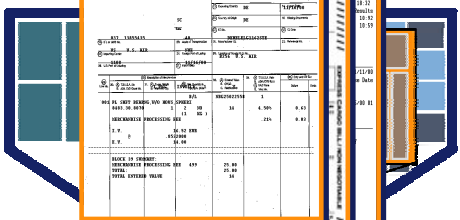
Characteristics

- Flow
- Time & Timeliness
- Information/Planning
- Controls/Conformance

Objectives

- Time definite, global services
- Cost effectiveness
- Logistics enabling
- Enterprise management

The three phases of Cargo 2000

	Chain definition	Monitoring level	Visual Representation
1	Airport to Airport (A2A)	Master AWB level Shipment planning & tracking	
2	Door to Door (D2D)	House AWB level; Shipment planning & tracking (Example of 3 HAWB)	
3	Door to Door (D2D)	Shipment planning & tracking at piece level with document tracking	

Phase 1 & 2 - A Reality

Phase 1 Result

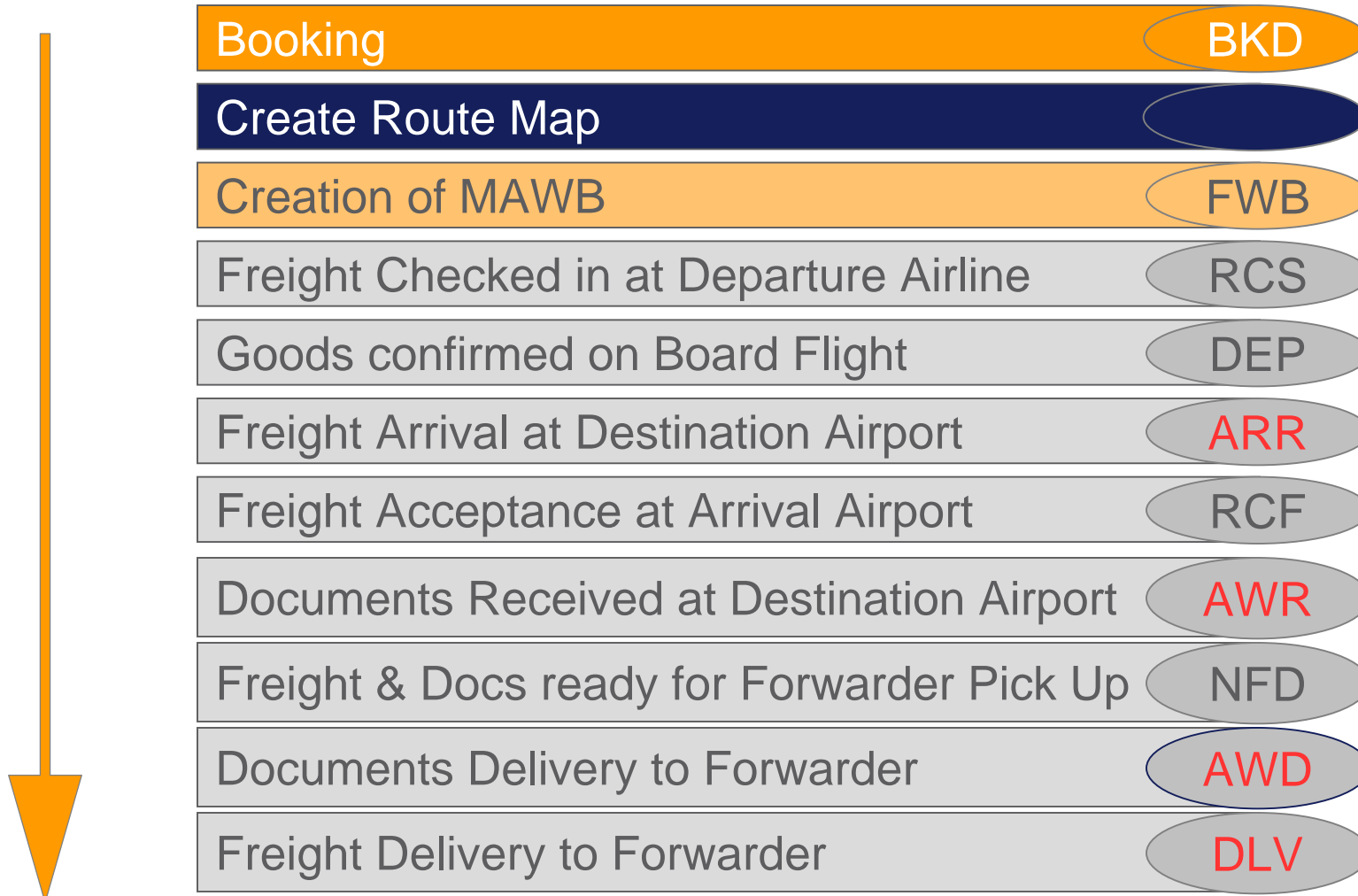
Service Level for members

- Flown as planned
- New Focus on NFD performance
- FWB performance

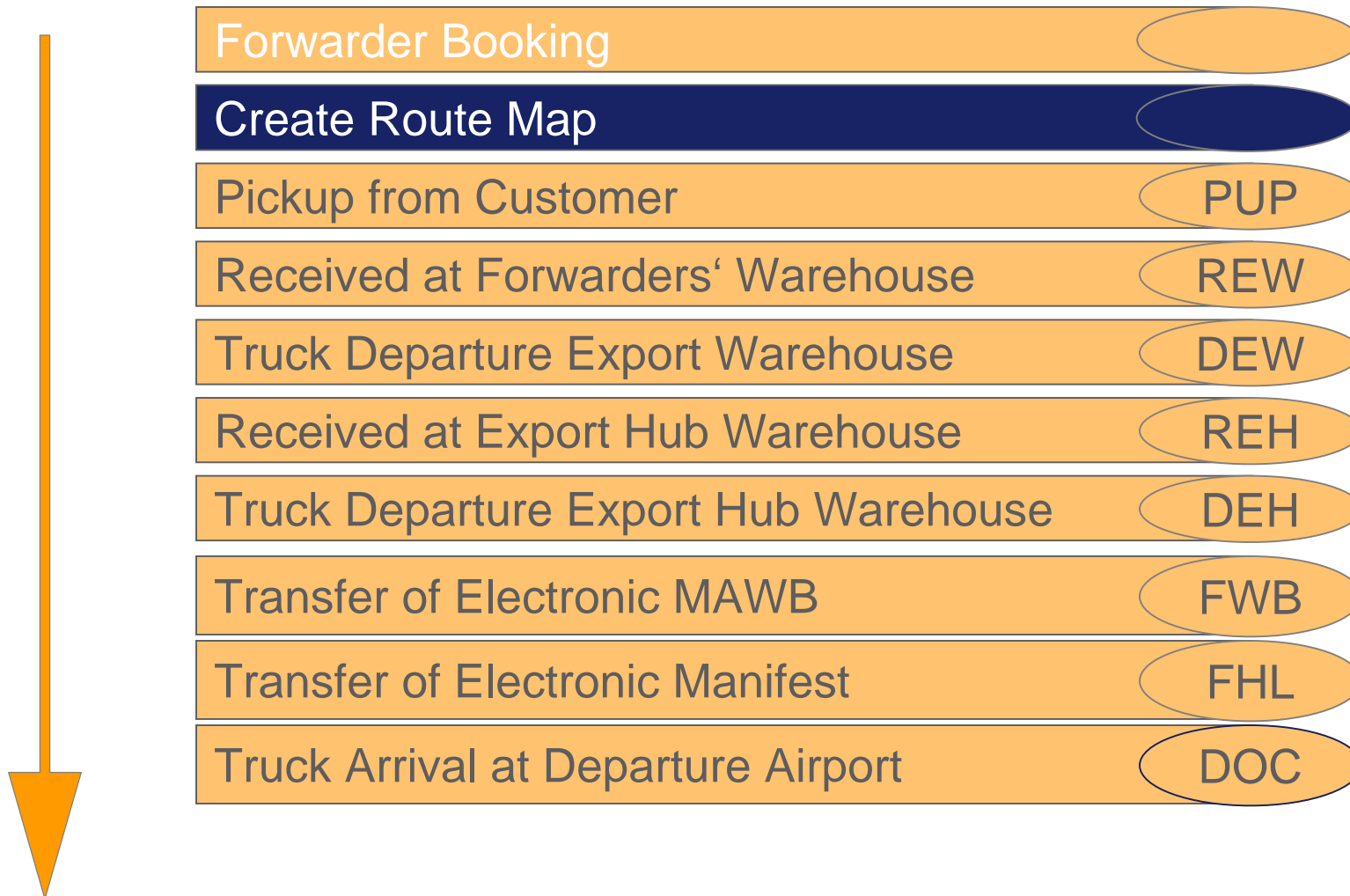
Phase 2 is being rolled out

- Members started implementation & measuring over 250,000 HAWBS a month

C2K - Phase 1 - Airport to Airport



Cargo 2000 - Phase 2 – Door to Airport



Cargo 2000 - Phase 2 – Airport to Door



Received at Import Hub Warehouse	RIH
Truck Departure Import Hub Warehouse	DIH
Received at Import Warehouse	RIW
Goods Out For Delivery	OFD
Proof of Delivery	POD

Phase 3 – What is it?

- Based on 'Original MOP':
 - Control of Information Flow
 - Control of Freight Flow
 - Control of Documentation
- Paperless environment (**IATA e-freight**)
- Smart scanning at **unique piece level** with use of Bar-code scanners – **RFID**
- Compatibility between IATA 606, Bar-Code, RFID with Sites operating at different technology levels
- Cycle Control Framework
- **Security** Control

Phase 3 – Information - MAWB

INFORMATION

CSCD/MAWB

- C01 - MAWB/CSCD # (with Carrier Identifier)**
- C02 - Origin of the MAWB**
- C03 - Destination of MAWB**
- C04 - Pieces of the MAWB**
- C05 - Weight of the MAWB**
- C06 - Volume (or dimensions) of the MAWB**
- C07 - Commodity of the MAWB**
- C08 - Flt # (or equiv.)/Date**
- C09 - STD/STA or Equivalent**
- C10 - Forwarder**
- C11 - Shipper Identifier of MAWB**
- C12 - Shipper Address (Postal & Country Code)**
- C13 - Consignee Identifier of MAWB**
- C14 - Consignee Address (Postal & Country Code)**
- C15 - Special Handling Code**
- C16 - Product Code**

Phase 3 – Information - HAWB

HAWB/SCD

- H01 - HAWB/SCD # (with Forwarder Identifier)**
- H02 - Origin of the HAWB**
- H03 - Destination of HAWB**
- H04 - Shipper Identifier of HAWB**
- H05 - Shipper Address (Postal & Country Code)**
- H06 - Consignee Identifier of HAWB**
- H07 - Consignee Address (Postal & Country Code)**
- H08 - Pieces of the HAWB**
- H09 - Weight of HAWB**
- H10 - Volume (or dimensions) of HAWB**
- H11 - Commodity of HAWB**
- H12 - Commodity Harmonised Code**
- H13 - Collection time (conditional)**
- H14 – Job #**

Phase 3 – Information – Billing/Units/Security

INVOICE/BILLING

UNITS

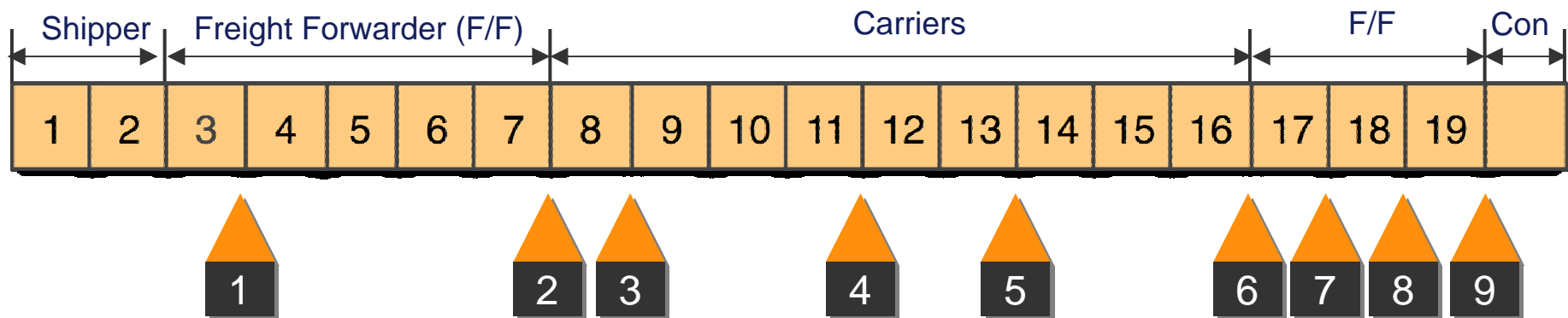
SECURITY

- S01 - Shippers Known #
- S02 – Shippers Certification Number
- S03 – Consignee Certification Number
- S04 – Shipper's Security Declaration
- S05 – Security Clearance ID #

Commodity Specifics

- T01 – Temperature minimum
- T02 – Temperature maximum

Milestones - Phase 3



Key Events

- M01 Freight collected from shipper and arrived at F/F facility
- M02 Loaded for departure to airport
- M03 Accepted by carrier
- M04 Departed origin airport

- M05 Arrived destination airport
- M06 Collected from carrier by F/F
- M07 Arrived at F/F facility
- M08 Departed for delivery to consignee
- M09 Freight delivered and POD captured

Includes: Smart Scanning at Unique Piece Level (UPID) and Document Control

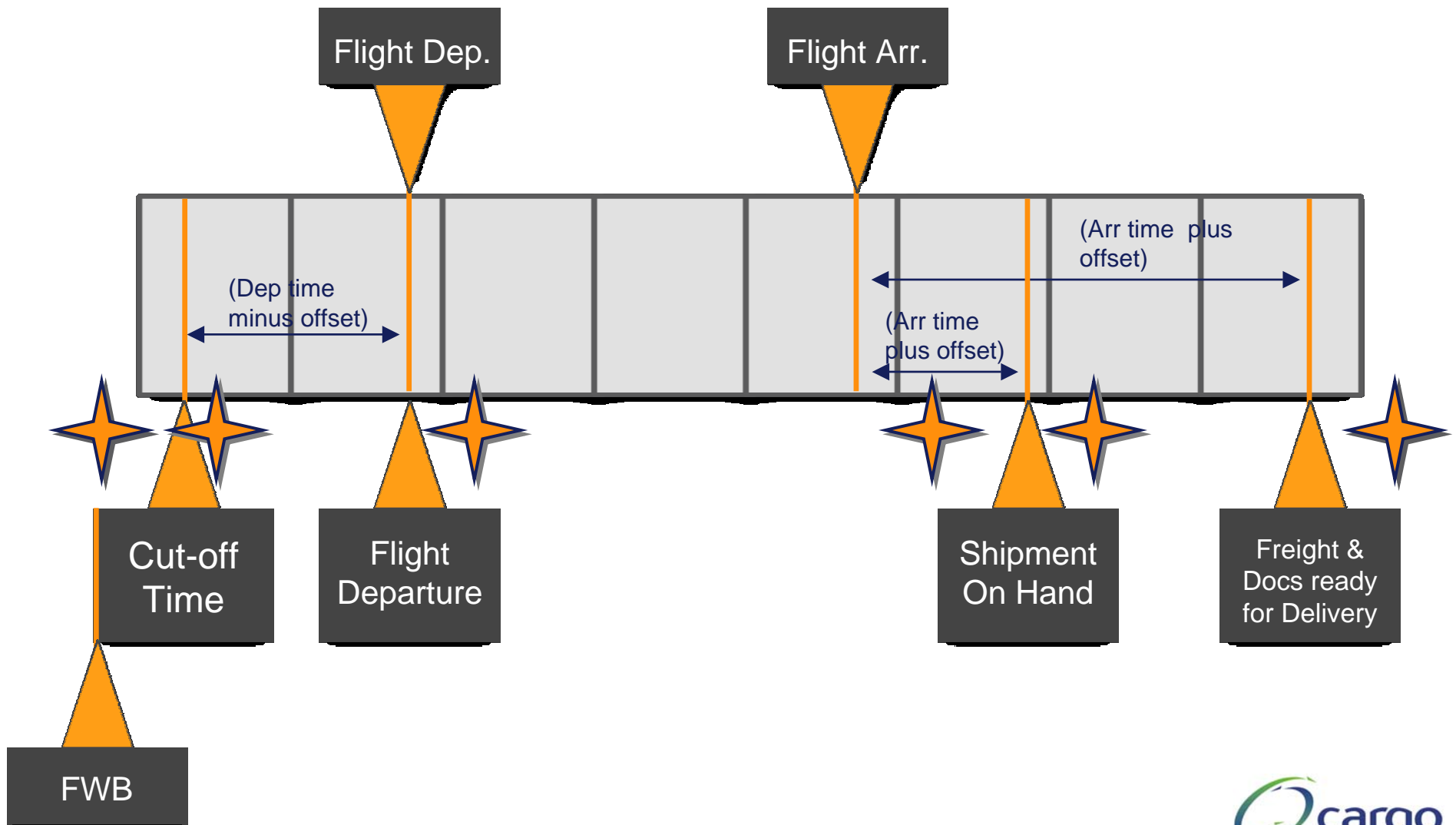
Route Map Creation

The Route Map

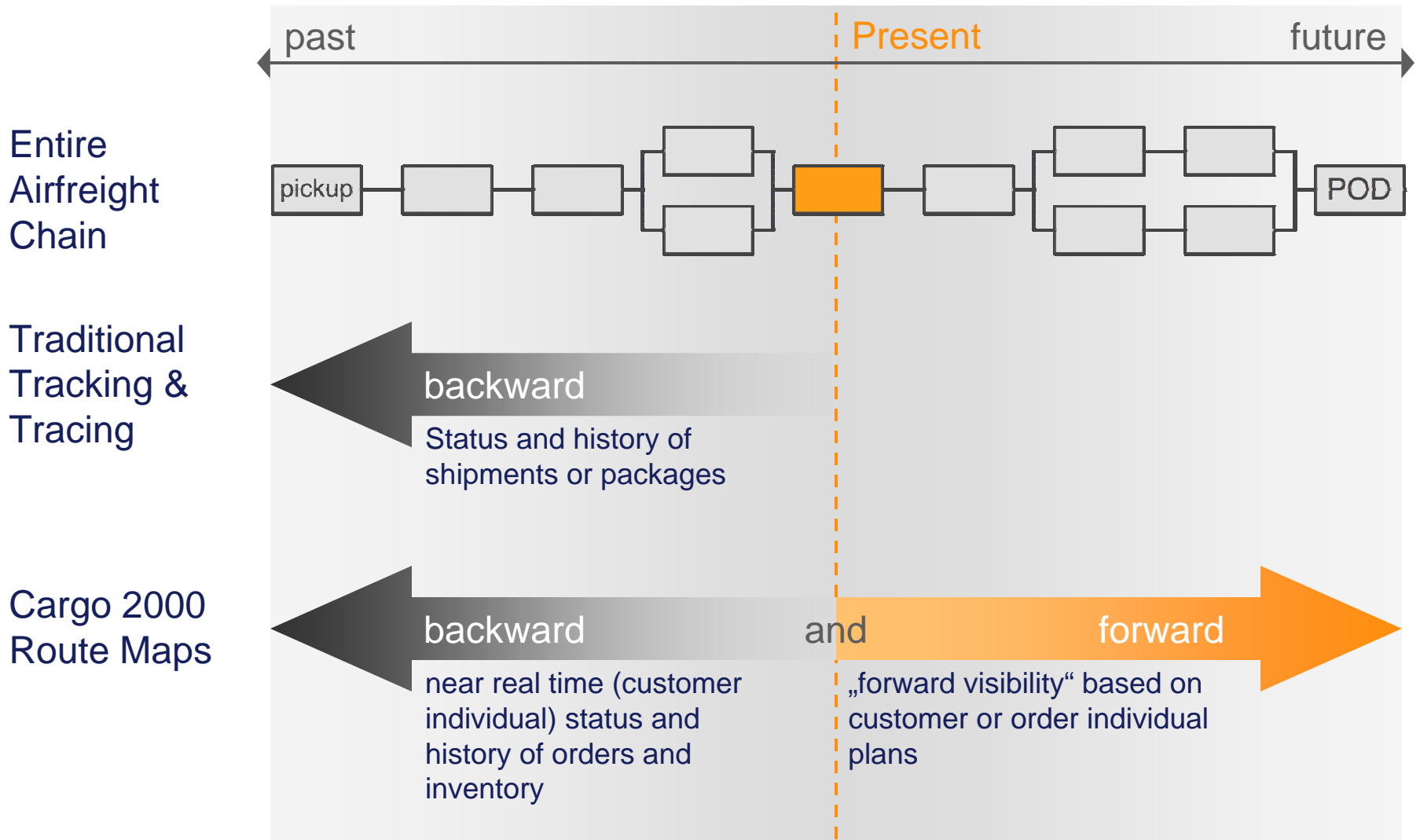
- describes the path the freight shipment follows
- is created when the booking is accepted and
- includes flight bookings as well as the checkpoints / timestamps required in the various Phases
- Verifies progress of the freight movement continually
- determines whether service commitments are kept

Route Map Creation

Two known entities by which the shipment is planned



Visibility & Monitoring Planning and Execution



Example of the monthly report

6		7		8		9	
#	%	#	%	#	%	#	%
Shipments with Message Received	Shipments with Message Received	Shipments Correct	Shipments Correct	Shipments Correct	Shipments Correct	Shipments Correct	Shipments Correct
FWB	FWB	FWB	FWB	FWB	FWB	FWB	FWB
912	91.20%	850	85.00%	850	85.00%	850	85.00%
420	84.00%	400	80.00%	400	80.00%	400	80.00%
1332	88.80%	1250	83.33%	1250	83.33%	1250	83.33%

What do we agree on

“Industry is failing to compete with integrator’s ability to deliver reliable, time-definite service with superior information integration and visibility”

“Forwarders and airlines are losing market share, a shift of \$2.5 billion over five-years”

Source: IATA

“Yield decline is the industry’s biggest single concern”

Source: TIACA

Industry response

Customers appreciate

- added flexibility provided by the airline/forwarder community with regard to schedules, systems and processes...

but only if we can deliver

- fast,
- reliable,
- predictable airfreight service

Industry response

**So what's the
answer?**

The answer is...



www.cargo2000.com

Conclusion

- Customers are looking for the air cargo industry to help them respond to the growing demands of their end-customers for reliable, time-sensitive freight movement.
- With Cargo 2000, airlines and forwarders will act as one integrated system to manage freight on behalf of the Customer.
- Customers will no longer have to sacrifice flexibility for reliability

Conclusion

- Customers are starting to question if a supplier is C2K compliant.
- Our goal is for every customer's first question to be

Conclusion

**ARE YOU CARGO
2000 COMPLIANT?**



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Thank you for your attention!