

Independence Day For Asset Management



This is the 24th annual general meeting (AGM) of what was once known as the IULDUG, formerly an IATA interest group, and its first AGM as a private, independent group, sans IATA. This declaration of independence is such that IATA couldn't even be bothered to send a representative to the inaugural meeting, despite the fact that the ULDUG vice chairman, Air Canada's Urs Wiesendanger, is the chairman of the IATA ULD Panel! The mysterious workings of this association . . .

The meeting was very well attended, with 113 delegates consisting of 47 airlines, 59 suppliers, a combination of various manufacturers, pooling companies, leasing companies and 7 industry guests, including FlyingTypers as exclusive media, and more importantly the FAA and the UK CAA.

We published "Romancing the ULD" on March 17, 2010, and a video interview with Mr. Wiesendanger, which resonated with this group. The organization of this meeting was exemplary; particularly when one considers that the support staff of the nascent ULDUG consists of an army of, well, one person: a very capable and competent woman, Louise Ladouceur. Pulling it all together is a challenge for sure, but as evidenced by this meeting, it is imminently doable without the fulltime meeting organizers that other conferences routinely use, which also add cost.

The reason the user group elected to become independent was summarized as the difference between IATA being airline centric versus the group being ULD centric and, as such, dependent on the broader logistic chain of which the airlines are but one part. To give legitimacy and legal recognition to its stakeholders, the user group wanted autonomy of action to manage and protect its asset – the software system – without a trustee, to control the timing and location of its general meetings and the ability to expand interline ULD tracking throughout the supply chain to include non-IATA airlines, all things the rigid IATA framework doesn't support. It's a refrain we have been hearing from other groups, such as the freight forwarders who are in a similar situation. And not surprisingly, it's easier said than done!

The challenges abound and start right in their backyard, or rather the head offices of the carriers, where the value of ULDs to the airline commands little recognition from top management. ULDs compete with major cost factors such as fuel and crew and as a line item on the budget pale in comparison. Yet remove the container or pallet ready to load and transport passenger baggage or high value cargo and all hell breaks loose! And it's more complex than that; ULD construction has evolved to include lightweight materials, which make a significant contribution to saving expensive jet fuel and reduce the emission footprint, materials engineered to absorb inflight explosions and incorporate fire containment characteristics. It has also expanded to include sophisticated units capable of handling the demands of cold chain logistics based on pharmaceuticals, a six billion dollar global business in 2009, for which 65 percent of the spend is for air shipments, and which is projected to grow 40 percent by 2015. A little education will have to go a long way in addressing this blind spot.

The group currently consists of 57 member airlines and it clearly needs to attract many more to avoid losing track of ULDs transferred to non-members as well as build up its budget through more members and system transactions that benefit its global scope and ambitions. This is not trivial at a time when industry consolidation continues—UA/CO is but one example. The IATA MITA (multilateral interline traffic agreements) is no longer limiting the new structure of this non-profit user group. The presence of TIACA chairman Michael Steen as a guest speaker is a sign of the recognition and the value this group presents, as is Mr. Steen's commitment to have ULD as a topic at the October 2012 Air Cargo Forum in Atlanta.

The chairman of the user group, Dick O'Mara of UPS, and Urs Wiesendanger, his vice chairman, spared no effort in emphasizing their interest in cooperation with IATA's ULD Technical Panel and their reliance on those technical standards, as well as various airworthiness regulations and handling practices of which the user group will steer clear. Delineation and clarity of scope were perceived as equally important as a well-defined mission statement.

A worldwide airports survey of ULD "friendliness" that Louise Ladouceur managed was presented at the meeting and showed the promise and value the user group can bring to bear; based on nine questions and a weighing system, it received input from 54 airports and 39 airlines with a tier of top performing airports—ATL, BAH, BOS, CEB, CMB, DFW, DUB, EWR, HEL, HKG, IKA, ICN, KIX, KUL, MXP, PEK, PVG, THR, YYZ, YVR, ZRH—and a low scoring collection—BCN, BKK, BOG, CDG, FCO, GRU, LHR, ORD. There was also a lot in the middle. As evidenced by similar reports in the public domain that regularly audit airlines' and freight forwarders' performance for all to see (the Cargo 2000 monthly data summary comes to mind), such reports can act as a powerful incentive to be at the top of the class. It can also be the foundation for expanding the report to reflect the performance of ground handling companies at these airports. ACI [Airports Council International] is presently Montreal based; as is the user group secretariat and synergy can be exploited.

Given the long standing dedication and active support of the equipment manufacturers, there are benefits, as represented by globally known, iconic figures such Nordisk's Bob Rogers and his 28 years of experience in the industry. He has authored many of the operational guidelines aimed at ULD storage, continued airworthiness of ULDs, ULD build-up and breakdown, ULD transportation and ULD operations training and qualifications published in both the IATA ULD Technical Manual and the Airport Handling Manual. The twenty or so pages replace outdated text that took up all of five lines in previous editions. It is hoped that IATA will be open to sharing this material with the user group in the interest of the industry. Training when it comes to ULD handling remains one of the major challenges and is definitely the weakest link.

While staff performing various airline functions that touch on aircraft require certification, whether it's weight and balance or flight planning, and despite the fact that in Europe, for instance, ground handlers require licensing, this does not extend to ULD handling despite the fact that ULDs are governed by the same regulations and airworthiness directives as aircraft. Lack of harmonized standards in different parts of the world contributes to more complications for manufacturers and operators alike. Furthermore, the majority of ground handling agreements between airlines and ground handlers do not include ULD specific terms and conditions. This is clearly an area the user group intends to focus on and develop proactive measures going forward, particularly regarding ULD storage at airports, not only loading, which enjoys some regulatory inspections.

The group has a number of important resources going for it, such as direct participation by its members in SAE [Society of Automobile Engineers] activities for aerospace standards and degradation requirements in the person of Hans van Rooijen of Nordisk. One of the panels at the meeting “Safety and Continued Airworthiness for ULDs,” in addition to Mr. van Rooijen, featured the FAA with Kenneth Kerzner and Joan Hughson, the UK CAA with Jason Sandever, Unitpool’s Steve Collins and Dick O’Mara of UPS, all professionally moderated by Bob Rogers.

A second panel later dealt with the “Proper ULD Tracking Across the Logistic Chain,” moderated by Ian Kentfield with Amsafe Bridport and Michael Steen, Executive VP Atlas Air; John Stewart, VP Operations ACL Airshop; Jean-Bernard Cathala, Vice President Swissport; James Everett, CEO JMI Aerospace; Andreas Seitz, Jettainer and Kuehne & Nagel’s Raul Villavicencio, Manager Airfreight Perishables. After identifying a number of obstacles, the summary offered specific steps that will need to be taken to fulfill the mandate of the user group, including protecting the ULDs and tracking them across the supply chain while staying focused to deliver and build on successes. The exchange and sharing of best practices across the board was seen as an important goal.

Dr. William Pelletier, PHD Researcher at the University of Florida, presented “Air Shipment of Perishable Products,” the findings of a combined lab and field series of tests mapping and investigating temperature variations throughout the shipment cycle. Solar radiation was by far the greatest factor and he recommended using reflective, breathable ULD covers for protection when shipping perishables.

Chris Wren with Amsafe talked about ““Expect more from your ULD” and, as a relative newcomer to the group, put his finger on the special dynamics of the participants that he observed, their passion and enthusiasm, which was motivating and promising. To formalize a more open and inclusive way forward, the executive committee would undertake to consider restructuring itself into a steering committee with members from the manufacturers, the pooling companies, the repair companies and ground handlers. Official feedback was expected in a January 2012 timeframe.

There’s much to do and accomplish between now and next year’s AGM in Shanghai; stay tuned!
Ted Braun