CARGO 2000: BACKGROUND, STATUS & FUTURE

cargo 2000
improving the quality of air cargo

New organisation structure will accelerate Cargo 2000's role as **'quality champion'**

Cargo 2000 is to adopt a new organisation structure that will see the appointments of a new Executive Director as well as a Technical Director and three Regional Directors to reflect the growth in its membership and worldwide activities and to accelerate achievement of the group's strategic goal to improve the quality of air cargo.

The new team, which will include the current Program Director, Lothar Moehle, will be in place by the end of the year.

Mick Fountain, Chairman of Cargo 2000, said: "We have a clear future role for Cargo 2000 to be the air cargo industry's quality champion. To achieve this, we plan to increase the size of our full-time team and our regional representation to facilitate an even more active approach to driving the quality agenda and improving industry performance for both suppliers and customers. This important development is about setting strong goals, clear objectives and accountability."

He continued: "Cargo 2000 is a continuous improvement organisation and we are putting in place an organisation structure that reflects and supports this. Over the next 12-18 months, our focus and direction is for all members to achieve our stated goals and demonstrate continued progress to the industry and customers. This will require an even stronger commitment by all members and we are confident of their support."

Priorities for the new team of Directors will be the full implementation of Cargo 2000's phases 1 and 2, improvement of data quality, strong support and assistance for Cargo 2000's 26 Local Associations and improved audit processes to support individual members. The introduction of the new Qcargo Network for small and medium-sized forwarders and further membership growth will also gain emphasis.

As part of the new organisation, Cargo 2000 – one of the key pillars of IATA's e-freight program – will also engage more closely with CNS and IATA in terms of 'back office' functions such as accounting and the compilation of statistics. Cargo 2000 will also benefit from a direct link to IATA's global network and Cargo Committee.

> "Cargo 2000 is a continuous improvement organisation and we are putting in place an organisation structure that reflects and supports this..."
>
> **Mick Fountain, Chairman of Cargo 2000**

Latest Members

EGYPTAIR

FINNAIR

INSIDE

Finnair Cargo & EgyptAir join

C2K reaches Brunei

GLS HK becomes first certified CDMP provider in Asia

Another first for ICCS in China

Qcargo Network: Progress report

Partner profile: Cargo Network Services

See the latest C2K performance stats

Gaining in strength to reach our goals

For quite some time, it has been clear that Cargo 2000 needs more resources to provide the support our growing quality programme and membership requires.

The decision to increase the size of our team with the appointment of an Executive Director, Technical Director and three Regional Directors is an important step forward and will provide the additional focus and energy we need.

I am also especially grateful to Jens Tubbesing and his team at Cargo Network Services (CNS) for their support and assistance. We have many synergies, both being airline and forwarder groups dedicated to industry improvement.

By helping us with the provision of back office functions, CNS is enabling Cargo 2000 to deliver improved efficiency and performance for our members using robust state of the art tools. We are particularly excited about the significant reporting and analysis improvements we will be able to deliver as a result of using the CNS Stat reporting tools.

Once again, since our last issue, we have attracted more new members and continued to report impressive year-on-year growth in the volume of air cargo processes we are measuring.

With our new team in place and our close working relationship with CNS and IATA, I am confident we will enter 2008 with increased momentum to achieve our goals.

MICK FOUNTAIN
Chairman, Cargo 2000

EgyptAir joins

Cargo 2000's airline membership has reached 24 leading international carriers with EgyptAir Cargo's decision to join its programme to improve the quality of air cargo, streamline air cargo processes, achieve cost efficiencies and improve customer satisfaction.

Eng. Hussein El-Refaie (above), Vice President Economic for the airline stated: "EgyptAir Cargo is focusing on the essential business needs of understanding, anticipating and responding to customer demands with effectively marketed and efficiently produced services. This means providing the highest levels of quality of products and performance during service delivery. Cargo 2000 provides an excellent platform for quality monitoring and reporting as part of the quality management system and will lead to us achieving our objectives of improved customer satisfaction and greater competitiveness."

EgyptAir's cargo fleet consists of two medium range wide body A300B4 freighters and two A300-600Fs. In addition, the airline carries freight in the bellies of its passenger aircraft, significantly boosting its capacity and extending Egyptair's cargo network to around 70 international cities in Europe, USA, Canada, Africa, the Gulf area and the Far East. In addition to its main cargo hub at Cairo International Airport, the airline has developed several regional hubs at Ostend Airport in Belgium, Stansted Airport in the UK, Hahn Airport in Germany, Sharjah Airport and Chateauroux Airport in France, offering direct access from and to the most important trading centres in Europe and the Middle East.

Lothar Moehle, Program Director of Cargo 2000, said: "Like all of our airline members, Egyptair recognises the importance and value of adopting Cargo 2000's quality standards for air cargo. This not only provides opportunities to improve performance and reduce costs, it sends a strong signal to freight forwarders and, most importantly, to shippers around the world that companies participating in Cargo 2000 are working to measurable industry standards and share a common commitment to quality."

EGYPTAIR

'Quality and controlled processes' attract
Finnair Cargo as a new member

Finnair Cargo has joined Cargo 2000, recognising the importance of providing top quality service to its customers in today's increasingly competitive air cargo market.

Timo Riihimäki, Vice President – Global Sales, Finnair Cargo, said: "We believe that providing the highest quality and controlled processes throughout the value chain are the key success factors in managing our cargo business now and in the future. Only top quality service providers will prosper in this tightening competitive environment and we believe Cargo 2000's industry standards will be a significant factor in our ability to continue to operate at the top level for our customers.

"Our participation in Cargo 2000 will be supported by Finnair Cargo's new information system, which will boost the efficiency of our procedures and help us manage our growing business, notably between Europe and Asia."

Lothar Moehle, Program Director of Cargo 2000, said: "We are delighted that Finnair Cargo has joined Cargo 2000 and shares our commitment to improving the quality of air cargo for customers and realising the commercial and financial benefits that result from quality processes and systems."

INPROFILE: The airline provides cargo services to more than 30 countries, with all long-haul and short-haul traffic passing through its Helsinki gateway. Finnair's wide-bodied Boeing, MD-11 and Airbus A340-300 fleet carry up to 25 tonnes of cargo per flight.

Brunei Transporting Company extends the reach of the C2K quality program

Cargo 2000's quality management system is to be rolled out in a further country after Brunei Transporting Company (BTC) became an Associate Member of the group.

Commenting on the decision to join Cargo 2000, Danny Chua, Operations Manager of Brunei Transporting Company, said: "Since our business was launched, we have maintained our commitment to providing the best levels of customer service in the international freight forwarding and trucking industry. The key reason for joining Cargo 2000 is to enhance the services we provide to our customers and key stakeholders.

"We aim to be the 'one-stop' preferred supplier and partner for our country, Negara Brunei Darussalam, and around the world. By having Cargo 2000's processes in place, we aim to streamline processes throughout our branches, enhance risk management control, increase transparency and improve our business efficiency."

INPROFILE: BTC was founded in 1946 to provide domestic and international transport and logistics services. It is also the cargo general sales agent in Brunei for Royal Brunei Airlines and Singapore Airlines.

Cargo 2000 at IATA's World Cargo Symposium

Cargo 2000 will be presenting one of the tracks at the next IATA World Cargo Symposium in Rome from March 3-6, 2008.

This is our message to delegates:

Are you looking for Quality and Quantity in your business? Cargo 2000 has the key!

Take this opportunity to meet and hear from supply chain members and customers who are working together to make a difference in our industry. In addition to finding out how Cargo 2000's quality system works and helps you deliver improved customer satisfaction, we will also showcase 'Qcargo Network'. This exciting new product is designed to make real quality more accessible and affordable for small and mid-sized freight forwarders. Technical experts and Cargo 2000 members will be on hand to answer your questions and show how you too can become a part of the industry quality system.

For more information and to register for the event, go to: **www.iata.org/events/wcs08**

GLS HK certified as Asia's first technology provider of a compliant C2K Data Management Platform

Global Logistics Systems (HK) Co. Ltd. (GLS HK) has been certified by Cargo 2000 (C2K) as a fully compliant IT provider of the C2K Data Management Platform (CDMP), helping to meet the quality requirements of the global air cargo industry.

The certification award was presented to GLS HK by Lothar Moehle, Program Director of Cargo 2000 during the recent C2K meeting hosted by Cathay Pacific Airways in Hong Kong.

GLS HK's Commercial Director, Lily Lai, said: "The Cargo 2000 program is an industry standard that both airlines and freight forwarders are striving to achieve. As a CDMP service provider, GLS HK applies the same quality standards by ensuring the robustness and reliability of our network, system and services to ensure stability, security and confidentiality for our customers."

Ms Lai said that the development of GLS HK's Easy Data Management Platform (EDMP™) offers airlines and forwarders a quality data management tool to embrace quality and transparency in serving customers.

"Our ultimate goal with EDMP is to drive the standardisation and automation of business processes, providing quality information and data to boost transportation efficiency and performance," said Ms Lai. "All

shipment data monitored through EDMP is measurable for process improvement. Also, if deviations occur, the EDMP system allows users to closely investigate the circumstances behind the event, thereby bringing about improvements in operating efficiency and data quality. Ultimately this will help to raise customer service levels and reduce operational costs."

Lothar Moehle, Program Director of Cargo 2000, said: "Often, the behind the scenes work of the CDMP technology providers that support Cargo 2000's members does not receive the recognition it deserves. Companies such as GLS HK are playing a vital role in the delivery of our quality management system and we value their commitment and support. It is testimony to the hard work of the GLS HK team that they have become the first technology provider based in Asia to be certified as fully compliant with Cargo 2000's C2K Data Management Platform (CDMP)."

Lily Lai and Lothar Moehle.

GLS (HK) will continue its commitment to working closely with IATA's C2K and e-freight technical working groups with the aim of ensuring C2K's quest for continuous quality improvement and IATA's e-freight implementation of a cargo paper-free environment are achieved.

INPROFILE: GLS HK, a Preferred Partner in IATA's e-freight project, is one of the world's leading ecargo information management service providers with over 15 years of experience. Its suite of Ezycargo™, Ezyfreight™, EDMP™, Ezycustoms™ and Ezypost™ services helps air carriers and freight forwarders eliminate the inconvenience and time-wasting nature of manual processes, accelerating customs clearance, handling and tracking, and improving the processing of shipments and airmail consignments.

Cargo 2000 members:

Airlines

AirBridgeCargo Airlines, Air Canada, Air France Cargo/KLM Cargo, Alitalia, American Airlines, Asiana, Austrian Airlines, British Airways World Cargo, Cargolux, Cathay Pacific, Delta, Egyptair, Etihad Crystal Cargo, Finnair, JAL Cargo, Korean Air, Lufthansa Cargo, Nippon Cargo Airlines, Polar Air Cargo, SAS Cargo, Singapore Airlines Cargo, Swiss WorldCargo, United Airlines, Virgin Atlantic

Forwarders

ABX LOGISTICS, Agility, Brunei Transporting Company, DHL Global Forwarding, Geodis-Wilson, Hellmann, Kuehne + Nagel, Panalpina, Schenker, SDV International Logistics, UTi, Yusen Air & Sea

Cargo 2000 Industry Associates

Ground Handlers: Australian Air Express, Aviance, Aviapartner, Cargo Center Sweden, Cargologic, ICCS, Kenya Airways GHA, Menzies Aviation, National Air Services, Penauille Servisair, Swissport, Worldwide Flight Services

Trucking Companies: Rutges Cargo, Towne Air Freight

IT Providers: BT, CCN, CargoMatrix, Cargonaut, Descartes Global Logistics Network, GLS, Kale Consultants, Mercator, Riege Software, Traxon, Unisys

CNS - Making a difference in the US marketplace

CNS was incorporated in 1985 following deregulation of the aviation industry in the United States to address the unique needs of the air cargo community serving the US marketplace by offering a relevant set of products and services.

As a subsidiary of IATA, CNS complies with US regulatory requirements while maintaining close working links with the global air cargo community. CNS products and services contribute to the performance of the companies it serves and promotes partnerships throughout the air cargo community.

CNS makes it easier for the companies it serves to understand key trends and challenges, to respond quickly and to seek common solutions. It provides forums and common information platforms for networking, dialogue, information exchange and industry working groups as well as a reliable and rigorous accreditation process to ensure standards of professionalism are met. This is supported by comprehensive training programs.

In addition, CNS provides statistical reports and data-mining capabilities to understand key air cargo business patterns. CNS also facilitates the ability of the air cargo community to work together by providing credit information, enabling access to credit, and managing an industry-level settlement system to pay invoices promptly and resolve financial disputes efficiently and harmoniously.

Talking about the closer working partnership with Cargo 2000, Jens Tubbesing, President of CNS, said: "This cooperation will help us to bring Cargo 2000 to the US market and further strengthen Cargo 2000's connection with IATA. CNS is becoming an active player in the Global Cargo Agenda and has already set support for the Cargo 2000 quality mission as a key part of its strategy."

Mick Fountain, Chairman of Cargo 2000, said the co-operation with

CARGO NETWORK SERVICES (CNS)

IATA has formally identified Cargo 2000 as a central pillar of its e-freight initiative.

As part of this closer working relationship, Cargo 2000 has also forged ties with Cargo Network Services (CNS), the US-based cargo subsidiary of IATA, and already CNS is providing significant 'back office' support to Cargo 2000 as its quality management program increases its momentum. So, how well do you know our new partner?

CNS would enable Cargo 2000 to 'strengthen our administration in a very cost effective manner'.

The co-operation and teamwork taking place between Cargo 2000 and CNS promises to deliver further benefits, including important improvements in reporting and analysis for members as a result of using the advanced CNS Stats program.

To find out more about CNS, go to **www.cnsc.net**

Another first for ICCS in China

The International Cargo Centre Shenzhen (ICCS) has the joint distinction of being the first Cargo 2000 member in China and the first Chinese business to successfully complete a C2K audit for its ground handling operation.

As part of the audit process, conducted by Cargo 2000's Program Director, Lothar Moehle, ICCS was required to upgrade its existing quality management system to cope with all C2K requirements, including compiling a Cargo 2000 quality manual.

Ulrich Huesson (above), Senior Manager Customer Relations and Operations

at ICCS, stated: "We joined Cargo 2000 to underline our commitment to quality and to show potential customers that we are ready to provide ground handling services according to the C2K standards. We currently handle cargo for four Cargo 2000 members and they clearly see the importance of Cargo 2000 performance and monitoring. Many other airlines are keen to learn more about C2K and are likely to join.

"We have already seen many benefits from membership of Cargo 2000, including the establishment of an even more professional quality system that has been proven to be effective for many C2K members, the ability to exchange ideas and knowledge with industry partners and the opportunity to play an active part in the development of Cargo 2000."

INPROFILE: ICCS, a joint venture between Shenzhen Airport Co. and Lufthansa Cargo, commenced operations in September 2004. ICCS's goal is to maintain its position as the prime air cargo ground handling company in the Pearl River Delta. The company currently provides GHA services for 18 airlines.

Qcargo Network: progress update

Work is progressing in preparation for the roll-out of Cargo 2000's new Qcargo Network, starting in Q1/2008.

The technical aspects of the program have now been tested and have proven to be compliant with Cargo 2000's requirements. Work is also taking place on database functionality and how Qcargo will be distinct from the full Cargo 2000 program. The Board are also considering the proposed fee structure for Qcargo. There will be a further update in the next issue of the newsletter.

What is Qcargo Network?

Cargo 2000 is planning to launch Qcargo Network to enable small and medium-sized freight forwarders to become compliant with the group's quality standards and work with a network of other Cargo 2000 certified partners through a Qcargo Network CDMP.

This new initiative is Cargo 2000's solution for small and medium-sized forwarders that want to join Cargo 2000 but lack the technical infrastructure to do so. By joining the Qcargo Network, members will be automatically linked with other companies that have made a demonstrable commitment to quality and that have provided their quality data to

Cargo 2000 for certification. The network will give all participants full visibility of the progress of shipments through the air cargo supply chain, combining:

• Web-based access to C2K functionality

• EDI capability for key messaging

• Shipment monitoring

• Quality Data Reports

• Access to a network of 'quality' forwarders

• New partnership opportunities

After joining the Qcargo Network program, members will be 'linked' to Cargo 2000's selected IT provider that will act as their C2K Data Management Platform (CDMP) and enable each participant to quickly become fully compliant with the C2K requirements. Once the CDMP set-up is complete, Qcargo Network members ONLY need to:

• Book freight with C2K airlines

• Send the FWB (Electronic Master Air waybill). If the member does not have the ability to directly send FWBs, the CDMP will allow secure data entry via

the internet and send the FWB on their behalf.

• Deliver freight at the departure airport on time, as agreed with the airline

Once a booking is made, a route map is created and the CDMP will monitor performance versus the shipment plan and provide alerts in the event of discrepancies. All of the captured data is recorded and used for quality reporting. Monthly data summaries are provided to members and after three consecutive months of data recording, they become eligible for listing in the Qcargo Network Directory.

All Directory listings will include business details and contact information, enabling Qcargo Network members to contact each other directly, agree terms of cooperation and advise the CDMP accordingly. Once the CDMP confirms set-up, full shipment visibility will be available for both members through the Internet-based facility of the CDMP.

About Cargo 2000

IATA has adopted Cargo 2000's quality management system as an integral pillar of its e-freight program to streamline air cargo processes, achieve cost efficiencies and improve customer satisfaction.

Cargo 2000 is a group of some 60 major airlines, freight forwarders, ground handlers, trucking companies and IT providers. Members are in the process of implementing re-engineered air cargo transportation processes from shipper to consignee using Cargo's 2000's 'Master Operating Plan'. This sits at the heart of an industry-wide process control and reporting system that in turn drives data management and corrective action systems. By more than halving the number of individual processes in the air cargo supply chain to just 19, Cargo 2000 is less labour intensive and improves the process for managing shipments in a paperless environment. It substantially reduces time spent managing irregularities, such as service failures, cuts the time required for manual track and trace procedures and leads to a reduction in service recovery costs.

The program is being implemented in three distinct phases. Phase 1 manages Airport to Airport movements - shipment planning & tracking at Master air waybill level. Once a booking is made, a plan is automatically created with a series of checkpoints against which the transportation of every air cargo shipment is managed and measured. This enables the system to alert Cargo 2000 members to any exceptions to the plan, allowing them to respond pro-actively to fulfill their customers' expectations. Phase 2 is responsible for shipment planning and tracking at House air waybill level and provides interactive monitoring of the door-to-door movement while the third phase manages shipment planning and tracking at individual piece level plus document tracking.

250 professionals in the US get the 'quality' message

Cargo 2000 has presented the progress and benefits of its quality management system to 250 industry professionals in the United States, representing airlines, forwarders, ground handlers, airports and suppliers.

As part of the close working relationship between the two organisations, Cargo Network Services (CNS) invited Cargo 2000 to participate in the CNS Road Show 2007. Starting in Miami, presentations also took place to air cargo executives in New York,

Chicago, San Francisco and Los Angeles and covered three main topics:

- CASS-USA
- Cargo 2000
- e-freight

Among a number of other topical updates was the use and acceptance of the 'plain paper' air waybill (IATA resolution 600a) which created significant dialogue and response from the audience. Related to this item was the recent US DOT approval of IATA Resolution 600b **www.cnsc.us/**

Performance Data

The latest performance data for Cargo 2000's members is published each month on our website at www.cargo2000.com

These figures compare performance in September 2007 vs. September 2006

Lanes measured
73,851 (+17,111)

Route Maps created
582,483 (+265,593)

Phase 1 shipments measured
120,485 (+37,907)

Number of Lane Segments measured
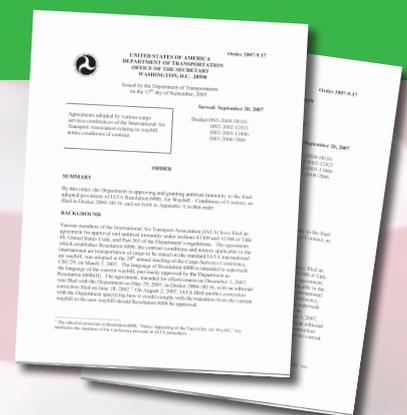23,339 (+6,824)

Flown-as-planned
88% (=)

FWB correct
90% (+1%)

% On time (notification of freight and documents availability)
77% (+3%)

roadshow/Important_Info.htm which effectively changes carriers' liability parameters in March 2008.

Contact

To find out more about Cargo 2000, please contact Lothar Moehle, Program Director at **moehlel@iata.org**

www.cargo2000.com

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