



EXPANDED AIR CARGO TRANSFER RIGHTS AT ANC AND FAI CREATES NEW OPPORTUNITIES

The Alaska International Airports System has the most liberalized air cargo transfer rights in the United States. Air carriers can create new opportunities for global cargo logistics and integrated alliance partner networks by taking advantage of expanded cargo transfer rights at Ted Stevens Anchorage International Airport (ANC) and Fairbanks International Airport (FAI). As of January 2004, a new law permits air cargo to or from a foreign country to be transferred to another airline in Alaska without being considered to have broken its international journey.

BACKGROUND

In 1996, the USDOT (USDOT Docket OST 96-1600) granted Anchorage International Airport the following expanded air cargo transfer rights:

1. Interline to/from non-US carriers
2. Interline to/from US carriers
3. Transfer on-line between flights
4. Change of gauge/ "starburst" service
5. Commingling of US and non-US traffic on the same flight

In 1999 the USDOT, in the matter of Expanded Air Services at Alaska International Airports, expanded transfer rights further by:

Granting all foreign air carriers which currently hold, or which may subsequently receive effective Department authority, to serve any point or points in Alaska, and to coterminalize points in Alaska with other US points for which they hold Department authority (excludes carriers from the UK); inviting foreign air carriers to apply for exemption authority to serve additional US points on an extra-bilateral basis, where those additional points would be served only on flights also serving Alaska.

NEW INITIATIVE FOR EXPANDED CARGO TRANSFER RIGHTS

As of January 2004, a new initiative was approved in the U.S. to expand air cargo transfer rights at ANC to their logical conclusion. The new law allows the carriage of international origin or destination cargo on foreign air carrier aircraft between Alaska and other points in the US in the course of continuing international transportation. These expanded air cargo transfer rights will allow air carriers utilizing ANC and FAI to:

- Take advantage of alliance partnerships through true interlining capabilities.
- Lower operating costs by eliminating lower revenue producing legs.
- Increase market penetration while at the same time reducing costs by eliminating beyond ANC or FAI flights.
- Higher aircraft utilization.
- Opportunities for true transfer and transload operations.
- Test market conditions without committing aircraft by utilizing code-share agreements.



Anchorage and Fairbanks Airport offers unmatched access to the world's markets. For air carriers both airports are less than nine hours by air from 90 percent of the industrialized world. Its liberalized air cargo transfer rights and location allow for both cost and operational efficiencies not available elsewhere. Air carriers can achieve efficiencies by locating their aircraft operations centers at this strategic location. For manufacturers and 3PLs there are numerous global logistics efficiencies inherent in an Anchorage location. Anchorage is a suitable location for central customer service and repair hubs; final product assembly, packaging, testing, and distribution operations, and international warehousing and distribution of high value, time-sensitive products.

DISTANCES FROM ANCHORAGE

City	Nautical Miles
Hong Kong	4,415
Seoul	3,286
Singapore	5,792
Tokyo	2,983
Amsterdam	3,901
Frankfurt	4,064
London	3,902
Madrid	4,499
Chicago	2,473
Los Angeles	2,037
Miami	3,479
New York	2,941